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NOTES FOR AN ADDRESS BY THE HONOURABLE RAYMOND CHAN, SECRETARY OF STATE (ASIA-PACIFIC), TO THE INDO-CANADIAN SHASTRI INSTITUTE

AT THE CONFERENCE ON MANAGING CHANGE IN THE 21ST CENTURY -INDIAN AND CANADIAN PERSPECTIVES



NEW DELHI, India January 12, 1996



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Mr. John Wood, President of the Indo-Canadian Shastri Institute; Mr. V. Ramachandran, Director of the Rajiv Gandhi Institute for Contemporary Studies; Ms. Flora McDonald, Chairperson of the International Development Research Centre; distinguished speakers and discussants; friends of the institute; distinguished guests:

It is indeed a pleasure to join you for your luncheon at this conference on "Managing Change in the 21st Century — Indian and Canadian Perspectives." The topics being discussed today are of immense importance for understanding the changing relationships between India and Canada and I very much look forward to reading the proceedings once they become available.

As Canada's Secretary of State (Asia-Pacific), I have visited many countries in this immense and varied region. What strikes me most about India is the remarkable progress of India's program of free-market economic reforms and the potential this offers for Canadians, who already enjoy such profound historic ties with India.

Those linkages form a strong foundation on which we can build a more mature bilateral relationship.

Canada and India have had diplomatic relations for almost half a century. Indeed, our countries have a history of bilateral cooperation that predates India's independence. The Canada-India partnership was cemented by very close personal friendships between our leaders starting with that of Mr. Nehru and Mr. Pearson. I am pleased that Lester Pearson's son Geoffrey is here with us today. Canada and India have been partners in various multilateral forums, including the Commonwealth, United Nations peacemaking operations and now the new World Trade Organization. We have enjoyed close bilateral ties in the area of development co-operation since the days of the Colombo Plan during the 1950s.

On the human side, over half a million immigrants have come to Canada from India since the turn of the century. Many Indians have come to Canada for higher education — and I hope more students and scholars will come. Still many more visit Canada each year for business and pleasure. The Indo-Canadian community has contributed to Canada's rich and diverse cultural, ethnic and religious mosaic. It adds empathy to our India ties allowing us to attain the level of cultural affinity so long of benefit to our North American and European links. Much of our success in realizing our aspirations in business will have to do with the success we have in linking our peoples.

The Indo-Canadian community has maintained and nurtured its ties with India, and successive Canadian governments have encouraged this to continue. It is a source of strength for both Canada and India, and provides depth to our relations.

As we have clearly seen on this Team Canada mission to India, commercial opportunities will undoubtedly provide the backbone for a new era of Canada-India relations. Our current mission not only saw the signing of hundreds of millions of dollars in business deals, but it has - perhaps more importantly - served to heighten awareness and interest both in Canada and India of the opportunities that exist. Clearly, Canada and Canadian business have developed greater confidence in long-term engagements here. India's economic liberalization program and its emergence into the broader trading world have contributed to this increased confidence.

The transition has extensive implications for the sustainability of India's economic development. While we recognize that even positive change can be difficult and that the benefits are not always immediately evident throughout society, Canada continues to strongly support the economic reform program and urges India to stay the course.

From the several meetings I had during my visit to India last March and throughout the meetings we have had on this visit, I have every assurance that the forward-looking leaders of the Indian government and business community will continue to press ahead with economic liberalization. Further reforms, transparency and certainty about the rules of the game will be essential to sustaining international business confidence.

As we enter into this new and exciting period in our relationship, we want to capitalize on opportunities for greater Canada-India commercial co-operation.

India's continuing efforts to modernize its infrastructure — especially in the areas of power generation and distribution, telecommunications services, transportation, and environmental protection — present enormous challenges for both countries.

But this new era in the relationship cannot be limited to commercial exchange alone.

If Canada and India are to strengthen ties, the challenge will be to work together in a rapidly changing international environment. This relationship must be built on the real understanding that Canada and India work as "Partners in Development" — a phrase coined many years ago by Lester Pearson. This concept of partnership is just as important today as it was then. It is based on the principal of working together as equals towards a common objective of social and economic development. It is therefore imperative that our understanding of partnership extend to the point that we increasingly look at each other's problems as being something we all share — be it poverty, social inequity and unrest, insecurity or political instability. In this regard, conferences such as this one have an important role to play in

bridging gaps and in bringing together individuals and institutions as partners in addressing these common concerns.

The Indo-Canadian Shastri Institute represents an important vehicle for Canada and India to work as partners, to exchange views and knowledge, and to jointly approach problems of mutual concern in an effort to solve them. Scholarly exchange, institutional linkages and the bringing together of Canadian and Indian studies are important for building the long-standing relations between our countries.

This visit by Team Canada has revitalized our relationship with India and provides the framework for it to continue and prosper. To achieve this breakthrough, we have concentrated with our Indian partners on enhancing economic links — a goal endorsed by both India's government and its private sector. In other areas, we shall continue to co-operate in sustainable development. We shall embrace the rich intellectual interchange provided by our academic and cultural relations. We shall continue to work together on important issues such as the environment, and we shall continue to work through the Commonwealth and other international organizations to resolve the outstanding issues arising from the New World Order. We must also continue to address the more difficult and sensitive matters related to regional security and human rights in a mature and constructive manner.

In closing, I have a firm vision of a very close, mutually rewarding and multi-dimensional relationship between Canada and India in the 21st century.

You have my assurances that the Canadian government is committed to this goal and that we will strive together to see this happen. Canadians look forward to building partnerships with India as it strides forward to achieve its vast potential.

Thank you.







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NOTES FOR AN ADDRESS BY THE HONOURABLE ROY MACLAREN, MINISTER FOR INTERNATIONAL TRADE, TO THE CANADA-U.K. CHAMBER OF COMMERCE LUNCHEON



LONDON, United Kingdom January 23, 1996



Let me begin by congratulating the Canada-UK Chamber of Commerce on its 75th anniversary. I am especially gratified to speak on the anniversary of an institution that was created to strengthen the economic collaboration that both Canada and Great Britain regarded as the natural extension of our military collaboration during the First World War.

Great Britain has always held a special place in my regard. I am of a generation that remembers with stark clarity the tragedies and triumphs of the Second World War. I was an undergraduate at Cambridge. My son and I have walked the length of this country from Land's End to John O'Groats. I am a proud Canadian — one who believes that his country's greatest achievements still lie before it — but I also grew up with the understanding that Canada is part of a larger Atlantic community and that the strength of my country depends on the strength of that wider community. It is for this reason that I accepted with particular pleasure your kind invitation to discuss the future of the transatlantic relationship in the aftermath of the Cold War.

Last month the United States and the European Union signed an agreement in Madrid entitled the New Transatlantic Agenda. This document comprises a long list of subjects — from trade and macro-economic policy to migration, narcotics, environment and crime — where the European Union and the United States have pledged themselves to pursue deeper co-operation and integration. In many instances the New Transatlantic Agenda is as broad as its details are sketchy. You will not be surprised if I say that the agreement's greatest weakness is that it fails to recognize the part that Canada must play in a reconstituted transatlantic relationship — though we are as deeply enmeshed in this relationship as either of our larger partners, and have played a leading role in launching the current transatlantic debate.

But far more significant than the details of the Madrid agreement itself is the larger idea that lies behind it. At its core is the recognition that Europe and North America must maintain — indeed must strengthen — their transatlantic ties if they are to face the challenges of the post-Cold War era. Our common interests and shared values demand nothing less. In a world where economic power increasingly defines geo-political influence, and where new power centres are rapidly emerging, the old transatlantic structures are no longer enough. What is needed is a new partnership which links more closely the economic as well as the security interests of Europe and North America. The Madrid declaration offers a glimmer — if only faint — of such a partnership: one that could in time be as significant to the economic and political development of the new world order as NATO [North Atlantic Treaty Organization] was to the old.

Although the challenges of the new era may lack the sharp edge of the Cold War, three broad imperatives are clearly emerging. First, there is the challenge of maintaining our mutual economic and technological leadership — leadership which in many ways

reflects our common commitment to openness, and our drive to innovate and compete. In both the multilateral order and in our respective regional undertakings — the European Union and NAFTA [North American Free Trade Agreement] — we have steadily pushed to widen the circle of liberalization. As Foreign Secretary Rifkind has also frequently urged, the next logical step would be to extend free trade between Europe and North America — to create a vast marketplace of the Atlantic. The goal would not simply be to enhance free access to each other's markets, but to reinforce the competitiveness, dynamism and critical mass of the transatlantic economy.

The second challenge in this new era is posed by deeper economic integration. Trade and investment flows across the Atlantic constitute the biggest artery of the global economy - some \$250 billion in two-way trade, \$500 billion in investment, reflecting a combined transatlantic output of over \$2 trillion. Although the new World Trade Organization [WTO] has broken down many of the transatlantic barriers, we still lack rules and structures to cope with some of the more sophisticated aspects of our economic relationship. In areas such as investment, standards, government procurement, and competition policy, Europe and North America have a clear need - and are well placed - to move ahead of the multilateral system. We have compatible economic systems. We share a commitment to open markets. In the European Union and to a degree in the NAFTA, we have created unique structures for regional economic integration that can, with imagination, provide logical building blocks for a trans-regional initiative.

The third and most important challenge facing Europe and North America lies in both managing and advancing the global economic order. The success of the GATT [General Agreement on Tariffs and Trade] system over the last 50 years was largely a testimony to the postwar strength and resolve of the United States. Yet the balance of global power and the structure of the world economy are very different today. Power is more diffuse. The United States is now but one of several major economic actors on the global stage, none of which is pre-eminent. What is more, these leading economies differ widely, increasing the scope for "system friction" and placing greater strains on the multilateral order. Even a modest step towards greater economic co-operation between the European Union and North America would ease transatlantic relations and facilitate the management of the World Trade Organization system as a whole. An ambitious agreement to pursue deeper integration would accelerate the new trade policy agenda and perhaps help lay the groundwork for the first negotiating round of the new World Trade Organization.

Some view a new transatlantic economic link as an alternative to regional integration in Europe or North America. In fact the opposite is true. An ambitious transatlantic economic bridge can only be contemplated today because we have strong regional

structures to build upon. Similarly, a policy of transatlantic integration could complement and indeed reinforce the existing processes of deeper regional integration by lessening concerns about a drift towards fortress Europe or fortress North America. In a sense, to use a European metaphor, widening and deepening go hand in hand.

Indeed, in the aftermath of the Second World War, leaders on both side of the Atlantic saw European integration as a way of strengthening the transatlantic link - a way of providing balance and symmetry to the relationship. A strong, united Europe was considered essential to a strong Atlantic community. Unfortunately, we got the security structure right, but faltered in our parallel efforts to build a transatlantic economic structure - as envisaged, for example, by Churchill and Roosevelt in their Atlantic Declaration; by Canadian Prime Minister Pearson in Article 2 of the North Atlantic Treaty; or in forums such as the OEEC [Organization for European Economic Co-operation] and later in the OECD [Organization for Economic Co-operation and Development]. The European Union and NAFTA have been highly successful at the regional level, but in the absence of a common transatlantic economic framework paralleling NATO in the security realm, these regional entities have tended at times to operate as transatlantic rivals.

Transatlantic economic relations have been left to be managed through a byzantine maze of channels - periodic GATT Rounds, G-7 Summits, ad hoc ministerial encounters - whatever works. More worrisome has been the tendency of some in our two regional blocs to focus inward. Europe and North America seem preoccupied with their own institution building to the point where other interests risk being subordinated to architectural imperatives. Even when we look outward, it is often to extend our regional spheres of influence: in the case of Europe, through contiguous free trade areas, association agreements and Lomé preferences; in the case of North America, through NAFTA expansion, the proposed Free Trade Agreement of the Americas, and in APEC, the fledgling Asia-Pacific Economic Co-operation forum. All of this has contributed to a growing fortress mentality and a pervasive mood of isolationism among some - an attitude that overlooks our mutual dependency and fosters transatlantic friction. Without arrangements to match existing levels of economic integration, the risk is that our differences - rather than our common interests - will continue to define our relationship.

Another concern is that a transatlantic economic agreement would somehow weaken the new World Trade Organization. This would only be the case if the goal was to construct an exclusive or restrictive bloc — to establish transatlantic free trade as an alternative to the multilateral order. Our goal is just the opposite. What we are seeking is to transcend our respective regions, to widen and deepen the circle of liberalization, and to

build upon the solid foundation provided by the new World Trade Organization. Far from weakening the WTO, a strong transatlantic link could help to harness our common interests and halt the drift towards unilateralism. By constructing a bridge between the two blocs, we could anchor our respective regional arrangements more firmly in the multilateral system. As the Director-General of the World Trade Organization stated recently, "the spread of 'regionalism' has contributed to fostering the dynamism of multilateral trade negotiations."

Although most tariffs on both sides of the Atlantic are already low - industrial tariffs will average between 2 and 3 per cent when the Uruquay Round commitments are fully implemented - and could be eliminated by agreed dates, our real focus should be on non-tariff barriers and policy areas not yet covered by the World Trade Organization. We have already agreed to seek a highquality investment agreement, initially at least under the umbrella of the OECD. We should seek in tandem to push this investment agenda forward and to broaden it globally. We should also work towards the mutual recognition of industrial and agricultural standards, especially in sectors that will define the global commerce of the future such as information technology and telecommunications. Given the similarities of our legal systems and our industrial structures, the transatlantic context also lends itself to ambitious work on harmonized competition policy. In each of these and in other building blocks - or what Douglas Hurd called "pathfinders" - we can go well beyond the scope of the disciplines of the new World Trade Organization and provide the foundation for future global liberalization and rule making.

Last month's Madrid Declaration of the European Union and the United States represents an important first step. But it will succeed only if we have the courage to take many more. As a crucial next step, aspects of the agenda should be widened to include Canada and perhaps other members of the transatlantic community. An agenda which focusses on bilateral relations between the European Union and the United States alone rather than on the wider transatlantic context ignores the integration of the North American economy. It is an approach that is not only anomalous, but ultimately self-defeating.

For my part, I can confirm that Canada and the European Commission are now working towards a similar agreement to improve and renew our transatlantic relationship. To help launch this process, Canada and Germany struck a working group to sketch out what such an agreement might look like. This group has now submitted a report to the institutions of the European Union for their consideration. We have established excellent links with the new Italian Presidency of the European Union with which we shall work to bring our new agreement to fruition.

How exactly we might proceed, and what precisely we are seeking, will become clearer over time. In the Canada-Germany working group report, we both attached importance to the study of additional trade liberalization. Among other possibilities, we highlighted further work on new investment rules, increased protection for intellectual property, aviation and maritime transport agreements, and improved rules for government procurement. Given the degree of economic integration now achieved in North America, it makes sense to proceed with some of these issues trilaterally, rather than on two separate bilateral tracks.

More spadework needs to be done in the time immediately ahead, including agreement on what can best be tackled bilaterally and what by any logic must be trilateral. But even if the precise agenda remains to be determined, it is increasingly clear that the status quo is insufficient.

We had a glimpse of the future at the last G-7 Summit in Halifax. Canada and the European Union signed there a major agreement on co-operation in the field of science and technology. This agreement opens the door for Canadian companies, universities and researchers wishing to enter into joint ventures with European partners participating in the European Commission's \$23 billion Fourth Framework Program for Research and Development. Again, in December, Canada signed another agreement with the EU on cooperation in the field of higher education and training - our government has committed funding to encourage such co-operation. Other initiatives are also well under way: the negotiation of agreements on competition policy and customs co-operation; on veterinary inspections and mutual recognition of testing and certification for product standards. These represent concrete steps towards the deeper liberalization of the future. Most important, they open the way to greater private sector activity, which is of course the real engine of economic integration.

When the idea of transatlantic free trade was first floated last year, one U.S. official casually dismissed it as a "solution in search of a problem." For some, this same description might just as easily have applied to the idea of an Atlantic community as a whole in the aftermath of the Cold War. Democracy and free markets were sweeping the world. Walls were tumbling in the face of globalization and technology. When North Americans and Europeans looked across the international landscape they tended to see a world created in their own image. It was perhaps natural and salutary to assume that the Atlantic community's struggle was won, that we were all Western now, that we had indeed reached the end of history.

Of course it was not history that ended with the Cold War, but merely an important chapter. And though the new international landscape in which we find ourselves today is less starkly

divided, it is by no means clear that it is any more stable. The diffusion of economic power, the rise of Asia, the advent of great regional blocs — all are manifestations of a global system in which we are at once more interdependent and less cohesive. The danger is not that history has ended, but that history will repeat itself: that we shall return to the global mind-set of the 1930s, where international co-operation unravels, and where narrow self-interest and isolationism again become the order of the day.

A renewed Atlantic community can provide — indeed must provide — a bulwark against such forces. Our two continents have been — and must continue to be — a cornerstone of the emerging global order. Those who see deeper transatlantic co-operation as a rejection of broader global co-operation, miss the point that a strong North Atlantic architecture is central to our ability to manage and advance a larger global agenda.

But first we must get our own house in order. A new economic relationship — like the existing security relationship — is not an end in itself. It is an institutional means of reaffirming and reinforcing our shared values as well as our common interests. It is the outward expression of inward unity. To the extent that technological change is altering the foundation of our post-war relationship and creating the potential for friction, we need to rediscover the ties that bind.

The Canada-U.K. Chamber of Commerce has played an important part over the years in this process of never-ending renewal. Of itself, it has served as an important bridge across the Atlantic during the recent period of transatlantic uncertainty and drift. But we are now starting to build bridges again. Through organizations such as the Chamber, we shall build them with confidence.

Thank you.



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THE HONOURABLE LLOYD AXWORTHY,

MINISTER OF FOREIGN AFFAIRS,

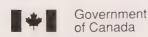
AT THE CONSULTATIONS WITH

NON-GOVERNMENTAL ORGANIZATIONS

IN PREPARATION FOR THE 52ND SESSION

OF THE UNITED NATIONS COMMISSION ON HUMAN RIGHTS

OTTAWA, Ontario February 13, 1996







I am pleased to be here today, to open these consultations with non-governmental organizations (NGOs) and Aboriginal groups in preparation for the 52nd session of the UN Commission on Human Rights, and to seek your views on the most effective ways to pursue the goals of ensuring respect for basic international human rights principles and instruments.

These consultations take place at an important time in our own country's history. There is great discussion throughout Canada about what binds us together. As part of this debate, Canadians have become acutely aware of the unique voice Canada has in the world — a voice that speaks in two official languages but that shares a common concern for the values of human dignity, democracy, tolerance and the rule of law. As a country we have developed institutions, practices and processes to both preserve and promote these shared values. And in so doing we have provided a model of governance that many around the world look to as a solution for melding diversity and difference with common purpose.

Many people within Canada are looking for ways to express this voice; who we are as a country; what we stand for both to ourselves and to the world around us. It is critical that this voice be heard internationally as it both validates our worth as a country and promotes the value of human dignity around the globe.

Respect for human rights is a critical component of the Canadian identity and therefore must play an important role in our foreign policy agenda. In promoting the values that we hold dear in the global community, we must find a voice that rings true, that is the most effective. Neither megaphones nor silence will help us to meet our objectives. I am here today to ask you to help us find the right pitch and timbre to the Canadian voice on these critical issues.

In this respect, NGOs play a vital role. NGOs tend to be organizations that give a paramountcy to the social or human concerns of Canadians as participants in the world community. NGOs have always tended to "do economics as if people mattered" and are thus a salutary reminder to Canadian society as a whole of those values that go beyond the framework and objectives of the marketplace.

Drawn from many sources in our society, Canadian NGOs represent a diverse and humane force in every part of the world. There may be differences in style, client groups or technical approach, but they converge always in this — their commitment to the dignity of human life and to the building of communities. Against the homogenizing forces of our world, against the culture-deadening, person-flattening powers of this technological age, NGOs are a living affirmation that the human spirit can still exist and thrive under the most trying conditions. To quote David Matas:

NGOs are the organized force of individuals speaking out on behalf of individual rights against governments. These organizations mobilize individuals to assert their rights. They are essential to the guarantee of those rights.

I salute all of you here today, who represent that force in our society, for the work you do throughout the world, often with scarce resources and real personal sacrifice. So we must work in partnership, and as partners we need to have a good understanding of each other.

I want to begin by addressing the relationship between trade and human rights. Too often these two areas of foreign policy are portrayed as antithetical, or at least incompatible. It is argued that Canada must choose to pursue one or the other.

I want to make very clear today that this is a false dichotomy. In reality, both trade and the promotion of human rights can serve the same purpose — namely bettering the well-being of individuals. To this end, I will be working closely with my colleagues the Minister for International Trade, the Minister for International Co-operation and the Secretaries of State for Latin America-Africa and Asia-Pacific. We will also be soliciting the views of others. At the end of this month, we will be co-hosting, with the Department of Labour, consultative and other groups to address the issue of labour standards and trade directly. I look forward to the recommendations coming out of those consultations.

As a trading nation, Canada must promote trade as an engine for growth and jobs, both at home and abroad. The creation of work is a critical aspect of the human rights agenda. Gainful employment is the most fundamental means by which people can be assured of their own sustenance. It is also quite clear that a trade agreement with a foreign country is most effective within a proper framework of rules and laws. Trade initiatives can also help in our pursuit of democratic development. Our efforts to develop strong trading relationships provide us with entrées into many parts of the world where we can promote the human rights and democratic development agenda.

The key is to find the right balance between our human rights and commercial agendas and then build a strong consensus behind it. In my view, Lester Pearson was the quintessential Canadian internationalist because he was passionately committed with respect to key issues and principles, while at the same time he was a tireless builder of coalitions and consensus.

We will be clear and forthright regarding the key issues...while at the same time we will work to develop those coalitions and linkages that will serve Canada's interests in this world of nanosecond currency transfers and globalized enterprise. As

Foreign Affairs Minister I am committed to serving both agendas of policy and enterprise, believing that thereby I respond to the Canadian consensus concerning our core values.

In my previous portfolio I learned a few things that I believe hold true for what we want to achieve in foreign policy. The first is that economic and social development must go hand in hand. To ignore either is to put both in peril. My involvement at the World Summit for Social Development in Copenhagen last year brought home to me the need to define "security" beyond a political or military concept. True security means progress on all fronts - environmental, social and economic. If your drinking water is poisoned or you lack basic health care or education, how secure can you feel about today, let alone tomorrow? The international community, through a series of conferences over the last two or three years, is beginning to grapple with this new definition of human security and the link between social and economic development. From the Earth Summit in Rio to the Human Rights Conference in Vienna; from the Population Conference in Cairo to the Women's Conference in Beijing, the world is beginning to recognize the links. Canada must become a leading voice in the expression of this need for a broader definition of security.

Second, while Minister of Human Resources Development, I learned the value of preventive measures, to deal with a problem before it becomes a crisis: to be active from the start. On the international scene that means human rights is as much about helping to alleviate the conditions that create human abuses in the first place as it is about taking actions against countries that violate those rights. In particular, I am deeply conscious of the need to invest in children and youth — an investment in the future of these countries.

In Africa, for example, we now realize that educating girls is probably the single most important development investment that can be made. Female education has critical links to health, population growth, infant mortality, agricultural productivity and the status of women — which is why we recently announced a \$15 million program in 15 countries to directly support the education of thousands of African girls.

Third is the need to engage people's help to shape our policy. This means inviting Canadians to become involved. I would like to get your advice today about how we should involve civil society, particularly young people, in an ongoing way in foreign policy making.

Canada has already built a proud reputation throughout the world due to the dogged efforts of many Canadians on the ground, working with local communities and NGOs to bring about real

change to people's lives, to alleviate conditions that give rise to the abuse of human rights. For example:

In Guatemala and El Salvador, a significant portion of our development dollars are focussed on democratic development. A project with *Defensoria Maya* helps to strengthen the legal capacity of Mayan people to assert and defend their rights. In Haiti, a \$5 million program working in conjunction with grassroots NGOs promotes human rights through public education.

In Indonesia, Canada has allocated \$300 000 for an Indonesian human rights support fund, and another \$500 000 annually in support of local NGOs in East Timor.

In China, just this last month, Canada held bilateral discussions with the Chinese government. The discussions were frank and wide-ranging and focussed on those areas of greatest concern to Canadians. The officials involved were greatly assisted by concerned NGOs before the delegation travelled to China.

In Mexico, Canada has supported 12 human rights-related projects over the last year, including a series of 9 "human rights awareness" workshops with indigenous communities in Chiapas.

Finally, Canadian support for elections in new democracies, encompassing over 70 countries and 200 missions over the past five years, has been an essential component of our broader efforts to provide specific and concrete support to democratic development throughout the world.

From these efforts we can draw some lessons and begin to sketch out some principles for a human rights strategy:

- a. Protect and promote the advancement of human rights in Canada. We must begin at home if we are to have credibility abroad. Thus we must continue to work on advancing the domestic agenda, particularly with regard to Aboriginal peoples in Canada.
- b. Support universal standards of rights and improvement of international rules, covenants and agreements. In particular:

1. Work on the multilateral rules that should govern labour standards and human rights.

- 2. Support multilateral forums to implement collective measures.
- 3. Strong commitment to the ratification of the Inter-American Convention on Human Rights.

4. Strong support for full implementation of the Human Rights Charter of the Dayton agreement, and the work of the War Crimes Tribnal in the Former Yugoslavia.

In this context I am concerned about the withdrawal of international support for multilateral solutions, particularly the breakdown of UN financing and what that might mean for the UN Commission on Human Rights.

- c. Take a leadership role in multilateral forums whenever possible. One example, where the Prime Minister has already taken a leading role, is within the Commonwealth against the current Nigerian government, but we must look at all possible avenues for advancing the human rights agenda. At the UN Commission on Human Rights, which you will be discussing today and tomorrow, Canada must play a leading role in addressing human rights violations worldwide. I am pleased to announce that I will be going to Geneva to address the UN Commission on Human Rights.
- d. Support local groups and associations in the countries concerned.
- e. Provide technical supports and expertise to governments:
 - 1. Social program expertise for countries just building theirs particularly newly industrialized countries in Latin America, Southeast Asia and Eastern Europe.
 - 2. Electoral expertise specific and concrete technical support for elections.
- f. Enforce controls on the export of arms from Canada.

 As Minister of Foreign Affairs I am committed to the strong enforcement of the strict guidelines that are in place to control the export of military goods to countries engaged in conflict or in severe human rights abuses.

Within this general framework of principles, I would like to make two particular suggestions for work on areas of special interest to Canadians:

1. Children's focus: Beginning with child labour, but looking at all aspects of foreign policy, we should make children a central focus of our thrust on human rights. Canadians will mobilize around such an issue. I would like to hear your views about how to do this.

On child labour, in particular, today I would like to announce a \$700 000 contribution to the International Labour Organization to work on this issue.

2. Aboriginal rights: As Canadians, we have a special role to reach out to groups around the world who have particular needs

and problems. On these issues, we recognize the strong and active leadership from Canadian Aboriginal leaders — this can be a very important advantage for Canada in this hemisphere and beyond. In particular, we wish to work with the Aboriginal peoples of Canada on the UN Declaration on the Rights of Indigenous Peoples, leading up to a meeting at the ministerial level prior to the next session of the UN working group.

Canada's voice is unique on the world stage. Our commitment to democracy and the rule of law in this country puts us in an excellent position to articulate the need and provide the support to respect human rights worldwide, to assist countries to live up to their international commitments where possible, and to speak out and help mobilize international action. In expressing our outrage about the many human rights abuses that occur around the world, we must find the most effective means to achieving our ends.

Thus, I am looking for your guidance on how we achieve the ends of both social and economic development. As Foreign Affairs Minister, I believe in finding that balance, in discovering the right voice and thereby representing the deepest convictions and commitments of the Canadian people.

Thank you.





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NOTES FOR AN ADDRESS BY

THE HONOURABLE RAYMOND CHAN,

SECRETARY OF STATE (ASIA-PACIFIC),

TO THE VANCOUVER BOARD OF TRADE

VANCOUVER, British Columbia February 8, 1996







Thank you for inviting me to join with you today to share my thoughts on the most recent Team Canada mission to the Asia Pacific region. I am pleased you have also invited Premier Harcourt to do the same, as he played a pivotal role in the mission's success. Perhaps one of the greatest successes of these Team Canada missions is that they allow federal and provincial politicians like the Premier and myself an opportunity to work together for the welfare of British Columbians and Canadians! As the Premier and the some 600 business leaders who participated in the mission can no doubt attest, Team Canada '96 to India, Pakistan, Indonesia and Malaysia demonstrated once again what we can accomplish as Canadians when we do work together.

Most people who participated in the mission clearly recognized that our success as a nation will increasingly depend upon our ability to achieve greater access to Asian markets and to develop initiatives that will result in the provision of the greatest possible competitive advantage to Canadian exporters. More and more Canadian businesses are realizing that they must prepare themselves to capitalize on the opportunities presented. For this reason, our government has been clear that Team Canada is about jobs and growth for Canadians. It's about building new economic partnerships. This is why I like to say that Team Canada is not just an event with a beginning and an end, it is a work in progress.

There are an infinite number of partners in Asia for Canadian business; and Team Canada presents a powerful message to those partners. That message is: Canada is here and we're here to stay. Indeed, the most common remark I am hearing from people I meet in Asia these days is that they have never seen any country speak so strongly and so unitedly in this regard. They understand that our business leaders and government are not in Asia for a few quick fixes but to build the framework of a long-term partnership. Our Asian partners appreciate our commitment and are as enthusiastic about it as we are. The unprecedented media coverage and political support our visit received in each country was a tremendous measure of the excitement we generated.

The first stop — India — really set the tone for the type of dynamic business and government leaders we would meet with in all four countries. A packed hall of some 2000 people gathered to kick off the visit and the Indian business leaders I talked to were incredibly excited to meet Canadian business leaders in similar sectors. To me, watching a room full of businessmen and women work and link up is perhaps the most exciting part of these missions. Indeed, while we witnessed signings worth some \$3.4 billion in India, it will be even more interesting to watch the deals that will come out of contacts that were made for the first time on this mission.

As we continuously saw throughout the trip, Canada's areas of expertise fit perfectly with those the Indians are trying to build up: sectors such as energy, telecommunications, transportation,

environment, financial services and agri-food. For example, Richberry Farms of Richmond signed a significant joint venture in the agri-food industry.

The Indian government clearly enunciated at every opportunity its commitment to the economic renewal of its country. It is genuinely determined to move its country into a modern, global age, through a bold program of restructuring and reform. Reforms have opened many sectors, including power and telecommunications, to foreign business and investment. Deregulation has allowed greater private sector involvement, while the reduction of tariffs and import duties has encouraged the entry of foreign companies.

A key by-product of these changes has been the clear arrival of a mature partnership with Canada. Our prime minister, premiers and I engaged the Indians on a number of fronts, addressing issues of mutual concern and working together to build on our rejuvenated relationship. That relationship will surely benefit Canadian business. Indeed, the outlook for Canada-India trade is bright. The Prime Minister left India issuing a challenge to both countries to quadruple their trade in the next five years. I certainly believe we can do it!

When I visited Pakistan last March I was impressed with that country's resolve through its longest period of democratic government. Pakistan is confronting the challenge of sustainable growth and its immense needs indicate the potential for commerce and co-operation with Canada. Recent policy changes have liberalized private and foreign investment in the thermal power generation, oil and gas, mining, and telecommunications sectors. And several important state enterprises are being privatized. These reforms have renewed private sector enthusiasm in Pakistan and have created greater opportunities for Canadian suppliers of goods, services and technology in these sectors. As evidence of Pakistan's potential, over \$2 billion in economic agreements were signed and almost half of that value was in the form of firm commercial contracts. The deals covered sectors ranging from power - where BC Hydro will again be engaged - to satellite technology, to mass transit, to agri-food, to information technology - with Vancouver-based World Tel signing a significant deal. UBC kicked in with a health project in respiratory medicine.

If these trade deals had anything in common, it is that they all demonstrate that our business relationships in Asia are no longer a string of one-off sales conducted at arms length with distant customers. A large number of deals concluded involved multi-year engagements, including such things as long term "build-own-operate-transfer" arrangements, long-term technical service contracts, technology transfers and training components. Many involved equity investments in the form of joint ventures. Indeed, investment played a role in many of the deals signed. This is a business environment that is getting more sophisticated with tie-ups

requiring a deeper engagement between buyer and seller and a balanced flow of benefits back and forth across borders.

This long term partnership could be seen clearly in Indonesia, our largest export market and our biggest investment destination in Southeast Asia. Over \$2.7 billion in new agreements were signed and — together with new investments in the mining and gas sectors — will have the potential to produce a total economic relationship close to \$9 billion. The Government of Indonesia has recently undertaken numerous reforms in order to encourage even more foreign direct investment and to support the continued growth and development of the economy. The utility sectors — air and railway transportation, and telecommunications — are now open to joint ventures and offer significant new commercial opportunities to Canadian suppliers and investors.

A theme that emerged quite clearly on the mission was that successful business relationships tend to thrive best against the backdrop of broader relationships encompassing all aspects of human experience and all dimensions of our bilateral relationship. It is often tempting to focus on the bottom line — the deal at hand — and to forget the complexity of Canada's ties with the countries we visited. They are ties based on war and peace, development cooperation, and all manner of people-to-people contact. They extend into the past, since the Colombo Plan in several countries an even longer in others. More important, those ties are the pillars on which current progress is founded and on which future achievement depends.

In Malaysia, for example, our long history as an aid donor, our close co-operation on forestry management issues, and the close personal affinity of our prime ministers played a huge role in the success of our visit. Prime Minister Mahathir greeted our mission with an enormous measure of warmth. His personal enthusiasm on the future of Canada-Malaysia relations rubbed off on everyone. Deals totalling close to \$450 million were concluded, demonstrating the many new dimensions of our relationship. Just a few short years ago our relationship with Malaysia was one of donor/recipient. But like so many other emerging economies in Asia, Malaysia is now a significant partner in so many areas. In particular, strong economic growth, industrial diversification, a favourable investment environment, and an efficient and modern infrastructure make Malaysia an excellent location for Canadian trade and investment.

The recent Team Canada mission was an enormous success no matter how you measure it. But as I said earlier, our Team Canada efforts is a work in progress. And we've made some tremendous progress. Just look at the numbers. One year after our Team Canada trip to China, our sales to that country are up 53 per cent. But Team Canada is not just about the Prime Minister, premiers and a couple of federal ministers heading off with hundreds of business leaders

to pound the pavement. It's a philosophy that has begun to encapsulate our entire trade effort. Whether it's a Vancouver businessman working with our embassy in the Philippines, or Premier Harcourt travelling to a northern province of Pakistan to promote BC Hydro, or myself pushing trade files in Korea, we are all working together. That is the spirit of Team Canada. And it's working. In the past year we've increased trade 190 per cent to Pakistan, 85 per cent in Malaysia, 89 per cent in Hong Kong. Our efforts to bring tourists to Canada are working. Numbers are up over 100 per cent from Korea alone!

We still have a lot to do. Standing back now and hoping for the best is certainly not what our competition plans to do and it is certainly not what we can afford to do. Now is the time to build on the alliances we've formed — and to build some more — in order to tap into the potential of Asia Pacific to generate the growth and jobs we need. We must continue to make our mark in the Asia Pacific region. And Vancouver is perfectly poised to lead the way. This is why I was so pleased to announce last November on behalf of our government that Vancouver would be the site of the APEC [Asia Pacific Economic Co-operation forum] Summit in 1997. The Summit will be the centrepiece of what we hope will be a year-long celebration of our Asia Pacific identity. It will be a chance to show our colours to our friends in the region and to raise the awareness of Canadians from coast to coast of the role of the Asia Pacific in our lives.

In fact, we see the year 1997 as the Year of Asia Pacific in Canada. Our plans are just beginning to shape up but we see it as a year marked not only by a number of APEC-related meetings, but by business events, cultural expositions and educational initiatives. Early in the year Canada will host the Asia Pacific Parliamentarians' Forum and some of you may also know that Vancouver will be the site of the World Chinese Entrepreneurs Convention in August 1997. This one event will offer Canadians a chance to tap into some of the world's most dynamic — and wealthy — potential partners.

The Prime Minister has asked me to oversee these efforts and I have already begun planning. Rest assured, our region will play a prominent role.

In closing, I am extremely excited about the potential of both the opportunities in Asia and our capacity to capitalize on those opportunities. Indeed, the recent Team Canada mission again demonstrated how much we can accomplish if we work together. When we're skating together as a team, Team Canada is a winner every time.

Thank you.

96/5

CHECK AGAINST DELIVERY



NOTES FOR AN ADDRESS BY THE HONOURABLE RAYMOND CHAN, SECRETARY OF STATE (ASIA-PACIFIC), TO THE MALAYSIA-CANADA BUSINESS COUNCIL

VANCOUVER, British Columbia February 16, 1996





Thank you for inviting me to join with you today to share my thoughts on the most recent Team Canada mission to the Asia Pacific region, and, more specifically, to Malaysia. As the Prime Minister, seven premiers, the Minister for International Trade and myself, and the some 600 business leaders who participated in the mission can no doubt attest, Team Canada '96 to India, Pakistan, Indonesia and Malaysia demonstrated once again what we can accomplish as Canadians when we work together.

Most people who participated in the mission clearly recognized that our success as a nation will increasingly depend upon our ability to achieve greater access to Asian markets and to develop initiatives that will result in the provision of the greatest possible competitive advantage to Canadian exporters. More and more Canadian businesses are realizing that they must prepare themselves to capitalize on the opportunities presented. For this reason, our government has been clear that Team Canada is about jobs and growth for Canadians. It's about building new economic partnerships. This is why I like to say that Team Canada is not just an event with a beginning and an end, it is a work in progress.

There are an infinite number of partners in Asia for Canadian business; and Team Canada presents a powerful message to those partners. That message is: Canada is here and we're here to stay. Indeed, the most common remark I hear from people I meet in Asia these days is that they have never seen any country speak so strongly and so unitedly in this regard. They understand that our business leaders and government are not in Asia for a few quick fixes but to build the framework of a long-term partnership. Our Asian partners appreciate our commitment and are as enthusiastic about it as we are. The unprecedented media coverage and political support our visit received in each country was a tremendous measure of the excitement we generated.

In this regard, when I first visited Malaysia two years ago in my capacity as Secretary of State (Asia-Pacific), I met with several ministers who welcomed me to their country but pointed out that Canada did not seem to be committed to our Asian ties. I told them things were changing quickly in Canada and my appointment to this newly created portfolio was a testimony to our Prime Minister's commitment to the region. I explained to my counterparts that Canada has been active in Malaysia since the 1950s when we participated in the Colombo Plan to help Malaysia develop. However, we have not been very good at blowing our own horn and promoting our activities. Perhaps it's the Canadian way, but I pointed out that it's time to change. We have to be loud and clear that we are active in Malaysia and we are in for the long haul.

I then proceeded to talk about Canada's excellence in so many areas compatible to the needs of Malaysia. At the time, Bombardier was bidding on a \$300 million Light Rapid Transit (LRT) project in Kuala Lumpur. I spoke at length about the

expertise of Bombardier and their commitment to the project. Our High Commissioner in Malaysia, John Bell, wrote me a few weeks later to say he was hearing from the Malaysians how pleased they were that Canada was becoming more aggressive in the region. Other Canadian ministers and provincial leaders also spoke out on behalf of Bombardier, and we were all pleased when Bombardier won the project. When we were in Kuala Lumpur last month, the Prime Minister, the premiers and I visited one of the LRT sites that Bombardier is building. I was also honoured to join SNC's Guy St-Pierre for the pouring of the first slab of concrete for the tracks of the LRT. The project is on schedule and the Malaysians went to great lengths to point out how impressed they are with our Canadian expertise. This type of commitment and expertise no doubt helped us sign so many trade deals on the Team Canada mission.

In Malaysia, our long history as an aid donor, our close cooperation on forestry management issues, and the close personal
affinity of our Prime Ministers played a huge role in the success
of our visit. Prime Minister Mahathir greeted our mission with
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Close to \$450 million in deals were concluded, demonstrating the
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Malaysia is now a significant partner in so many areas. In
particular, strong economic growth, industrial diversification, a
favourable investment environment and an efficient and modern
infrastructure make Malaysia an excellent location for Canadian
trade and investment.

It was clearly evident throughout our visit to Malaysia that Canada is well regarded. Our close bilateral relations are an essential underpinning of a productive commercial relationship. And that relationship should flourish, as Malaysia's needs and Canada's abilities are a perfect match. Canada's contributions to Malaysia's immense infrastructure development, such as the LRT line in Kuala Lumpur, are clear examples of this. The 88-storey twin towers of the Kuala Lumpur City Centre, which Team Canada visited, is another. Its sky bridge, which links the two towers halfway up, was tested in Canada. Prime Minister Chrétien baptized the link as the "Canada Connection." Prime Minister Mahathir agreed and characterized one of the twin towers as Canada and the other as Malaysia.

Indeed, throughout our stay in Malaysia, I met with Canadian business leaders excited about the possibility of using Kuala Lumpur as their Asian headquarters. One such company is London Life International. I had the pleasure — along with both the Canadian and Malaysian Ministers of Trade — of cutting the ribbon opening their new office. London Life is the fourth Canadian

company to have chosen Kuala Lumpur as its headquarters in Asia — the other three being Nova Gas International, Bovar Environment and Ellis Don Construction. The reason, as London Life International President John Bruk so eloquently put it, is that Kuala Lumpur is a "vibrant, functional city with a quality of life and multicultural community similar to Canada's." That is quite a compliment.

Vancouver is positioning itself perfectly to become Canada's gateway to Malaysia and, as a result, should reap tremendous benefits. The establishment of a direct air link between Kuala Lumpur and Vancouver — operated by Malaysia Airlines on a codesharing basis with Canadian Airlines International — will stimulate trade and increase tourism in both directions. Hopefully, it will also encourage more Malaysian students to study in Canada.

Increasing the number of Malaysian students studying in Canada is one of our priorities. Canada has excellent universities and technical colleges of world-class standard. They are also very cost-competitive. However, we need to convince more Malaysian students, businesses and educational institutions to look to Canada. The payoffs are immeasurable. Indeed, on the recent trip, a Canadian company signed a lucrative trade deal with the Indonesian government specifically because the Minister responsible had been educated in Nova Scotia. We are beginning to see these types of human ties paying off more and more in business.

The recent Team Canada mission was an enormous success no matter how you measure it. But as I said earlier, our Team Canada effort is a work in progress. And we've made some tremendous progress. Just look at the numbers. One year after our Team Canada trip to China, our sales to that country are up 53 per cent. But Team Canada is not just about the Prime Minister, premiers and a couple of federal ministers heading off with hundreds of business leaders to pound the pavement. It's a philosophy that has begun to encapsulate our entire trade effort. Whether it's a Vancouver business person working with our embassy in the Philippines, or Premier Harcourt travelling to a northern province of Pakistan to promote B.C. Hydro, or myself pushing trade files in Korea, we are all working together. That is the spirit of Team Canada. And it's working. In the past year we've increased trade to Pakistan by 190 per cent, to Malaysia by 85 per cent, and to Hong Kong by 89 per cent. Our efforts to bring tourists to Canada are also working. Tourism numbers are up over 100 per cent from Korea alone!

We still have a lot to do. Now is the time to build on the alliances we've formed — and to build some more — in order to tap into the potential of Asia Pacific to generate the growth and jobs we need. We must continue to make our mark in the Asia

Pacific region. And Vancouver is perfectly poised to lead the way. This is why I was so pleased to announce last November on behalf of our government that Vancouver would be the site of the APEC [Asia Pacific Economic Co-operation forum] Summit in 1997. The summit will be the centrepiece of what we hope will be a year-long celebration of our Asia Pacific identity. It will be a chance to show our colours to our friends in the region and to raise the awareness of Canadians from coast to coast of the role of Asia Pacific in our lives.

In fact, we see the year 1997 as the year of Asia Pacific in Canada. Our plans are just beginning to shape up, but we see it as a year marked not only by a number of APEC-related meetings, but by business events, cultural expositions and educational initiatives. Early in the year Canada will host the Asia Pacific Parliamentarians Forum, and some of you may also know that Vancouver will be the site of the World Chinese Entrepreneurs Convention in August 1997. This one event will offer Canadians an opportunity to tap into some of the world's most dynamic — and wealthy — potential partners.

The Prime Minister has asked me to oversee these efforts and I have already begun planning. Rest assured, our region will play a prominent role.

In closing, I am extremely excited about the potential of the opportunities both in Malaysia and throughout Asia and our capacity to capitalize on those opportunities. Indeed, the recent Team Canada mission again demonstrated how much we can accomplish if we work together. When we're skating together as a team, Team Canada is a winner every time.

Thank you.

Statement

96/6

CHECK AGAINST DELIVERY

THE HONOURABLE ART EGGLETON,

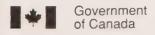
MINISTER FOR INTERNATIONAL TRADE,

ON THE OCCASION OF THE DEBATE OF

THE SPEECH FROM THE THRONE



OTTAWA, Ontario March 5, 1996







Mr. Speaker, the Speech from the Throne reaffirms this government's commitment to expanding trade as a basis for our prosperity.

Expanding trade is not a matter of choice for Canadians: with a relatively small population, we simply must find markets beyond our own. This is a challenge that Canadians are taking on with tenacity and success.

Exports have been growing at an unprecedented rate and now represent nearly 37 per cent of our GDP, compared to just 24 per cent in 1991. One in three jobs in Canada now depends on exports. One in three, Mr. Speaker!

The final figures have just come in on our merchandise trade and I am delighted to announce that it now stands at a record surplus of \$28 billion — smashing the previous record of about \$20 billion set in 1984!

Significantly, much of this export growth is taking place in value-added sectors, which means that we are no longer simply exporting raw materials for others to refine and then sell back to us at increased prices. This is good news for the long-term economic prospects of Canadians.

It is also encouraging to note that while the United States remains by far our largest trading partner, there has also been a significant increase in our exports to other major markets around the world.

So our trade is growing, our exports are diversifying and our markets are expanding.

What accounts for this phenomenal success, Mr. Speaker?

I think there are three main reasons.

First, the lower Canadian dollar has made it easier for Canadians to sell their goods and services in international markets. But that is not the full story.

We must also recognize the role played by our success in liberalizing trade — both within the World Trade Organization [WTO] and through the North American Free Trade Agreement [NAFTA]. By levelling the playing field for Canadian firms, our trade policy successes have allowed many seasoned exporters to take on new markets, and it has also meant that many Canadian businesses can export for the first time.

Finally, our exports have soared because of the initiative and imagination of individual Canadian firms, which have found ways to compete, and compete profitably, in the global marketplace. They are the authors of their own success and their achievements are benefiting all of us.

But the successes of the past impose upon us the responsibility to maintain and exceed that performance in the future. If we are to continue to offer quality jobs to Canadians, we must continue to set our sights higher. And we are doing just that.

Last October, my predecessor, the Member for Etobicoke North, challenged Canadians to double the number of active exporters by the year 2000. This is indeed an ambitious goal, but consider the potential.

Relatively few Canadian companies are currently exporting. About 10 000 firms account for over 98 per cent of our export business and 50 firms alone account half of it. To expand exports, we need to dramatically increase the number of companies exporting and encourage current exporters to go after new markets.

And there is also the other side of the coin, Mr. Speaker. Just as Canada must increase its exports to others, so too must we attract quality, technology-rich foreign direct investment to this country.

More than one job in ten and more than half of Canada's exports, are directly due to international investment in Canada.

Foreign investment brings the latest technologies to Canada and increases Canadian subsidiaries' capacity to compete in global markets.

And all regions of Canada benefit from such investments. For example, Stora of Sweden recently announced the construction of a new \$650 million pulp and paper facility in Nova Scotia, creating 300 new jobs. The Montreal subsidiary of Ericsson Communications, also of Sweden, is providing 700 jobs for Canadian engineers and technicians.

The recently announced expansions of Toyota and Honda in Ontario mean 2200 new jobs for Canadians. And recent decisions by Merck-Frosst mean 200 new jobs for research scientists in British Columbia and Quebec.

These are large numbers, Mr. Speaker, but behind each one are individual Canadians, granted the dignity of holding a job, of paying their own way — who can begin to dream that their tomorrows will be brighter than their yesterdays. This is what foreign investment really means.

We know that the competition for such foreign investment is keen, so we must be both aggressive and strategic in our efforts to attract and retain it in Canada. We have the best country in the world in which to invest, and we need to continue to get that message out.

It is absolutely essential to offer foreign investors an investment climate that is second to none. That is why this government remains committed to deficit reduction. That is why we are working to eliminate regulatory burdens and barriers to interprovincial trade, and to end disputes and regulations which restrict the flow of business and business people.

Mr. Speaker, if, as has often been said, trade is the lifeblood of our economic prosperity, then access is its arteries. The free circulation of goods is essential to our economic health and our government will continue to open new markets and create new opportunities for Canadian companies.

To ensure the continued development of our trade, this government has identified three key priorities:

First, to effectively manage our most important trading relationship — that with the United States.

Second, to liberalize trade around the world, based on clear rules and level playing fields. To this end, we are working through the WTO and the NAFTA.

And third, to ensure that Canadian companies realize the benefits presented by a global marketplace. This means championing Canadian companies abroad, helping companies find new markets, assisting with financing where appropriate and attracting new investment to Canada.

Mr. Speaker, these priorities were not pulled out of thin air. They are the result of extensive consultations with Canadian industry and with our provincial partners. And we will continue in this collaborative manner as we proceed to implement these priorities.

It should come as no surprise that our trading relationship with the United States should be our first priority: 82 per cent of our exports go to that country.

The relatively stable and predictable trade environment created by the NAFTA and the WTO has encouraged an enormous expansion of Canada-U.S. trade. Our exports there have risen by 90 per cent over the past nine years under the NAFTA and the earlier FTA [Canada-U.S. Free Trade Agreement].

Over time, we have been able to bring more and more of the bilateral trade relationship with the United States within the scope of agreed trade rules, but as recent experiences have shown, we still have some way to go in building a fully rules-based trade relationship with our U.S. friends.

For example, we will continue to make the case that anti-dumping and countervail laws have no place in a free trade area. While we have not yet convinced the United States of this, we will keep working toward a bilateral trading relationship free of such trade remedy laws.

This will be a key objective as we work to expand and tighten the NAFTA.

These principles — of rules-based trade and freedom from countervail — also animate our approach in other multilateral and regional forums such as the WTO and the Asia Pacific Economic Cooperation forum [APEC].

With our partners in the WTO, we aim to avoid the "hub and spoke" approach to trade policy, ensure the development of fair rules and obligations and demonstrate the benefits of participating in the WTO.

We are also engaged in regional liberalization discussions where these are deemed important to Canadian interests. They include the negotiation by 2005 of a Free Trade Area of the Americas, participation in the APEC and efforts to pursue a Canada-U.S.-European Union initiative.

Bilaterally, we have just concluded a free trade agreement with Israel and we are now negotiating a free trade agreement with Chile as a bridge toward its eventual accession to the NAFTA.

With all of these efforts, and all of these initiatives, we have tried to establish the access to foreign markets which Canadian companies need. But access is only half the battle.

Canadian companies must be made aware of the opportunities available to them, they must be supported in their efforts to create beach heads in these new markets and the benefits of investing in Canada must be communicated to foreign investors.

In all of these areas, our government is taking action.

Canadians are well aware of the Prime Minister's highly successful "Team Canada" missions abroad. The latest mission to Southeast Asia underlined the merits of the united approach, leading to some \$9 billion in new contracts for Canadian firms. This is on top of the \$13-odd billion generated by two previous Team Canada missions. This government has no intention of stopping there and, as indicated in the Speech from the Throne, the Prime Minister will lead more such missions in the future.

These missions show just how much Canadians can achieve when we work together. Now we must borrow the same approach at home in order to increase the number of companies trading abroad.

To this end we have built a domestic Team Canada, in partnership with relevant federal departments and agencies, the provinces and the private sector. Its mission is to help existing exporters find new markets and to ensure that all Canadian exporters have access to the best possible intelligence about world markets.

Over the next three months, all of the partners — at the federal level, in the provinces and the private sector — will be determining what sectors and what markets we should be keying in on.

Team Canada's task will be to:

- identify, prepare and assist companies with export potential;
- develop their interest in foreign markets;
- help them gain access to all export assistance programs; and
- facilitate their export involvement.

Mr. Speaker, it is more important than ever before that we commit our resources where they will have the greatest impact. That is why our direct funding assistance for international business development is now limited to dynamic small or medium-sized companies.

We also recognize the vital role played by our Trade Commissioners in 107 trade posts throughout the world. These Commissioners provide Canadian entrepreneurs with business leads, introductions to buyers and partners in foreign markets as well as timely strategic advice on markets and how best to tap into them.

We must support and strengthen our Trade Commissions by enhancing their client focus and providing means of monitoring client satisfaction.

The final ingredient for export success is access to competitive export financing. This often determines whether a firm can export or not.

In times of diminishing resources, when governments can no longer afford to provide all of the funding they would like or companies may need, we need to become more creative and imaginative in our approach.

The old ways of the old days, when export orders were purchased with highly subsidized export financing, must give way to new forms of risk sharing with the private sector.

We understand these new realities, and we will work through the Export Development Corporation [EDC] to expand the export finance system by leveraging public and private sector resources in new and innovative ways.

We will also look at ways to encourage Canadian financial institutions to become more involved in export financing. Some of the banks have already begun to develop strong relationships with the EDC and we want to see these relationships grow into true risk-sharing partnerships.

Mr. Speaker, as we approach the 21st century, our reputation as a trading power is well-established and continuing to grow. Canadians have demonstrated their ability to take on the world and win.

As a government, our role is to solidify the gains we have made, open new markets to Canadian enterprises, encourage more Canadian companies to sell abroad and continue to market Canada as a wonderful place in which to invest.

Our prosperity as a nation has always depended upon trade. In earlier days, in other ways, we met the challenges that faced us. And I am confident that we will again rise to the occasion. Our recent trade performance has indicated what can be achieved when Canadians work together. And I am convinced that these successes will pale in comparison to the achievements still to come.

Thank you.



Statement

96/7

AS DELIVERED

A STATEMENT BY

THE HONOURABLE ART EGGLETON,

MINISTER FOR INTERNATIONAL TRADE,

ON THE HELMS/BURTON BILL



March 13, 1996



Government of Canada

Gouvernement du Canada Canadä

In view of Canada's concerns over the Helms/Burton bill, I wrote on March 12 to United States Trade Representative Mickey Kantor requesting consultations under Chapter 20 of the North American Free Trade Agreement [NAFTA].

Canada has condemned the Cuban action in shooting down civilian aircraft. However, Canada finds objectionable the Helms/Burton bill which could interfere with companies engaged in legitimate business and which attempts to extend U.S. law to other jurisdictions.

Chapter 20 of the NAFTA provides for consultations on any matter affecting the Agreement. Consultations are the first step in determining whether to initiate a NAFTA challenge. The U.S. Administration is still working on its approach to implementing the bill, and Canada will seek clarification of U.S. intentions. Canada will consider its next steps after the consultations.

Canada will also raise its concerns over this law at the negotiations on the Multilateral Agreement on Investment currently under way at the OECD [Organization for Economic Cooperation and Development].

We have been in contact with the Mexican Government, and understand that Mexico intends to join the NAFTA consultations."

- 30 -

A backgrounder on the U.S. Helms/Burton Legislation is attached.

Backgrounder

U.S. HELMS/BURTON LEGISLATION

- The Helms/Burton bill (the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996) was passed by the U.S. Senate on March 5 and by the U.S. House of Representatives on March 6. President Clinton signed the bill into law on March 12.
- Canada has expressed strong concerns regarding this legislation. Prime Minister Chrétien raised Canada's objections with President Clinton. Minister for International Trade Art Eggleton registered concerns with United States Trade Representative Mickey Kantor in Washington on March 4. Canada's Ambassador to the United States sent a diplomatic note on March 7.
- Canada's concerns have focussed particularly on the claims provisions in Title III and the temporary entry restrictions in Title IV.

Title III - Claims Provisions

- The claims provisions would allow foreign companies to be sued in U.S. courts if they have investments or ongoing business with property in Cuba expropriated by the Cuban government and claimed by a U.S. national.
- These provisions would run directly contrary to widely accepted international legal practices. Expropriation claims are normally to be settled through local legal remedies in the first instance, bilateral negotiations on a government to government basis in the second, or if these fail, arbitration in the International Court of Justice or a special claims commission set up by mutual agreement.
- The intent of the Helms/Burton claims provisions is to punish companies dealing with Cuba. Yet these companies are merely carrying out legitimate business. International legal practice does not prevent international business interests from operating in countries where property has been expropriated by the government. On the contrary, foreign investment, including U.S. investment, is taking place in many such countries.
- The Helms/Burton claims provisions will not come into force until August 1, 1996. The President has the discretion to further delay implementation for six-month periods based on a finding that this would be in the national interest and would expedite a transition to democracy in Cuba. Canada is

urging the Administration to exercise this discretionary authority.

Title IV - Temporary Entry Restrictions

- The temporary entry restrictions would bar travel to the United States by corporate officers and controlling shareholders of companies that have investments or ongoing businesses in Cuba involving expropriated Cuban property claimed by a U.S. national. The restrictions will also extend to immediate families, i.e. spouses and minor children.
- The legislation could stop foreign-based executives from conducting any business in person in the United States with affiliated companies, customers or suppliers. It would also impair the legitimate activities of U.S. and Canadian firms involved in cross-border business.
- The temporary entry restrictions came into effect when the President signed the bill into law. It is not clear what steps the U.S. government will take to implement these restrictions.

NAFTA Consultations

- NAFTA Article 2006 provides that a NAFTA Party may request consultations "with any other Party regarding any actual or proposed measure or any other matter it considers might affect the operation" of the NAFTA.
- Consultations are normally held within 30 days of the request being made to the other Party. Parties may hold further consultation sessions, if this would be useful. If the third NAFTA Party considers it has a substantial interest in the matter, it is entitled to participate in the consultations.

Canada-Cuba Trade

• Two-way trade between Canada and Cuba grew between 1994 and 1995 by 54 per cent. Canadian exports to Cuba amounted to \$254.5 million in 1995 compared to \$115 million in 1994. Canadian imports from Cuba reached \$320.9 million compared to \$194 million in 1994.





Statement

96/8

AS DELIVERED

INTERVENTION BY THE HONOURABLE ART EGGLETON,

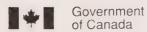
MINISTER FOR INTERNATIONAL TRADE,

AT THE SECOND WESTERN HEMISPHERE

TRADE MINISTERIAL MEETING



CARTAGENA, Colombia March 21, 1996









As trade ministers, we have been charged by our leaders at Miami with overseeing the negotiation of a Free Trade Area of the Americas [FTAA] by 2005 at the latest, as well as with achieving "concrete progress" toward this objective by the year 2000.

As ministers of democratically elected governments, we must continue to meet regularly in order to renew the political momentum behind this bold hemispheric endeavour and to communicate to each other the views of our respective constituents on building the FTAA, not only those of our business sector but those of our workers and consumers.

In addition, as trade ministers, we must develop together an architecture that gives form to the vision of our leaders. By doing so, we will provide the necessary direction and momentum to the design and negotiation of the FTAA by officials.

It is important to note that leaders did not define in any specific terms what the FTAA would look like. They left this task to us. We must, therefore, take it upon ourselves to move beyond the language of Miami.

At our first meeting in Denver, we embarked on this task by creating seven technical working groups, together with quite specific terms of reference, and charged them with programs of analytical work upon which they would develop recommendations on how to conduct FTAA negotiations in each area. Today, we are to approve the establishment of four more such working groups with similar mandates.

Considerable progress has been achieved by the seven working groups over the last nine months. They are clearly well advanced in terms of collecting data on hemispheric trade and on our individual policy structures, and intend to embark over the next year on analysing this data and making recommendations to us at our next meeting in mid-1997. I look forward to considering these recommendations when we next meet. As for the four new groups, we should encourage them to be equally ambitious.

Our next meeting in 1997 will be a pivotal one, as it is scheduled two and a half years after Miami and two and a half years before the end of the century, by which time leaders have directed us to achieve "concrete progress" toward the FTAA.

The challenge before us is how to best use the rest of 1996 and early 1997 to arrive at real decisions regarding the initiation of FTAA negotiations, in at least some areas, by our next meeting. This was Canada's position at Denver, and it remains our position today.

At Denver, Canada called on this group to focus on answering two questions: First, how ambitious shall we be in terms of the specific obligations and rights to be contained in the FTAA? In

other words, "what" will be in the Agreement? Second, "how" can we achieve the Free Trade Area of the Americas?

Based, in part, on the progress achieved since Denver, it is Canada's view that we must first collectively address the "what" question. In many ways, once we have determined "what" will be in the Agreement, the answer to "how" to achieve it will be more apparent. For example, in the area of tariffs, WTO [World Trade Organization] consistency calls for the elimination of all tariffs over 10 years, with some limited exceptions to be agreed. How will we achieve this?

Those of us who are members of customs unions or common markets (i.e. Central American Common Market; Mercosur and CARICOM) may wish to conduct tariff negotiations as a bloc. However, countries like Canada, which are members of free trade agreements or agreements such as the Latin American Integration Association (LAIA), will each conduct its own tariff negotiations.

Naturally, this approach need not be used to negotiate in other areas, such as services, investment or procurement, where each individual FTAA member will likely want to negotiate on its own behalf.

Therefore, the central issue before the 34 countries in the Hemisphere is what obligations and rights will be contained in the FTAA? Our efforts should be focussed on this issue in 1996 and early 1997.

Fundamentally, Canada sees the FTAA as an agreement among 34 equal partners, according to the principles agreed upon at Denver.

Once Panama's accession to the WTO is concluded, likely in the next few months, all FTAA partners will be applying the rules of the WTO to each other. Therefore, the FTAA will of necessity go beyond the WTO in terms of trade liberalization. In that sense, the FTAA will be "WTO-plus" by definition. However, for all the issues to be addressed in the FTAA, we will have to agree on whether and how FTAA obligations will go beyond those already governing our relations under the WTO.

Finally, although in realizing the FTAA we will naturally build upon the liberalization already achieved in our membership in the various existing sub-regional agreements, it is Canada's view that the negotiation of the FTAA will not be achieved by countries joining an already existing agreement, nor by the "simultaneous convergence" of such existing agreements. The Free Trade Area of the Americas can only be achieved through deliberate action by all countries in the Hemisphere.

The successful negotiation of the FTAA will be made significantly less difficult by the liberalization already undertaken by FTAA members through existing preferential agreements. This "autonomous" liberalization continues today and will continue between now and 2005, be it in the NAFTA [North American Free Trade Agreement]; Mercosur; Central America; CARICOM or LAIA. Such liberalization should be encouraged, both for its own benefits and for the positive impact it has on the FTAA process.

Thus, from Canada's perspective, the liberalization we are all pursuing in the various sub-regional agreements to which we belong is not a substitute for, but an impetus to, achieving the FTAA. At the same time, negotiating the FTAA should not await the completion of these sub-regional agreements, each of which in its own right is a dynamic undertaking by its members.

Some characterize the path to a hemispheric free trade area to be a bringing together of major agreements such as the NAFTA and Mercosur. Canada does not agree with this characterization. Mercosur is a bold undertaking to create a common market in the southern part of our Hemisphere, and continues to deepen its obligations toward achieving that objective. The NAFTA is a very advanced model of a free trade agreement. These two agreements have fundamentally different objectives, and could not be merged without one or the other dispensing with its core objectives.

Canada is committed to completing the FTAA negotiations well before 2005. In that year we expect to see an FTAA of 34 equal partners that is WTO-plus; comprehensive and balanced; consistent with our WTO obligations; and one that is a single undertaking. At the same time, Canada expects to see in 2005 a successful and liberal Mercosur and a NAFTA that is broadened in its membership and deepened in terms of its rights and obligations.

To construct such an agreement, FTAA trade ministers must ensure that the time between now and our next meeting is used most productively to define the shape of the FTAA we collectively want to negotiate.

To do so, we must provide direction to officials to provide us with the recommendations we will need to initiate negotiations, in at least some areas, when we meet in 1997 so that we can deliver on the commitment of our leaders at Miami to achieve "concrete progress" by the year 2000.

One final point. As you know, the WTO Ministerial Meeting will take place in Singapore this December. With trade ministers from 34 countries at the same table, we should not miss this opportunity to explore ways to sustain the momentum of trade liberalization though the WTO. For example, could we agree to work together to present a common front for more accelerated

tariff liberalization or, in certain sectors, further tariff liberalization beyond our Uruguay Round commitments?

I look forward to discussing these issues with my colleagues. Thank you, Mr. Chairman.



Statement

March 27, 1996

HIGHLIGHTS OF LLOYD AXWORTHY'S SPEECH TO JOHNS HOPKINS UNIVERSITY

WASHINGTON — Foreign Affairs Minister Lloyd Axworthy today delivered an address, "Partners in Progress: Canada and the United States in World Affairs," to Johns Hopkins University about the role Canada and the United States can play on the international scene. The Minister emphasized the need for "rules to govern our relationship — a framework to enhance out mutual interests."

Mr. Axworthy underlined the importance of U.S. engagement internationally. He discussed the considerable opportunities that increased interdependence and modern technologies offer. To capitalize on these, multilateral co-ordination and public education must be increased.

The two countries must foster "a populism of our own that debunks the myths of protectionism and self-promotion and champions engagement and the value of working together to achieve common ends."

"Canada is looking again for collaboration with the U.S. in pursuit of internationalism and engagement." On the bilateral front, NORAD (North American Air Defence) is a good example of our successes. On the multilateral front, "the promotion of human rights worldwide is a critical objective on its own" with "clear links to promoting democratic development." In addition, we must promote children's rights, combat terrorism, promote environmental security, and continue to strive toward arms control.

Despite many common interests, Canada and the United States do not always agree nor should they be expected to. Mr. Axworthy noted a "disturbing trend in certain elements of U.S foreign policy to go beyond the rules and to act unilaterally without regard for the legitimate interests of others." The United States "cannot unilaterally pick and choose which international





rules to accept and which to ignore," nor choose and reject trading partners and then "try to force other countries to comply with these choices," as in the case of the Helms/Burton Bill on Cuba.

Secondly, internationally agreed rules and international treaties, such as the Pacific Salmon Treaty, must be respected. Canada and the United States have "a shared interest in the pursuit of long-term sustainability of the salmon fishery" and the two countries must strive to pursue resolutions jointly. Mr. Axworthy called upon the United States to fulfil its financial obligations toward the United Nations. Canada and the United States should advance the agenda for UN reform together.

Notwithstanding these differences, Canada and the United States must "extend our instinctively held, historically driven and continually demonstrated capacity to work together." The two countries must collaborate and "promote new rules, new arrangements, whether it be across boundaries or across the world."

Mr. Axworthy's address to the Nitze School of Advanced International Studies (SAIS) at Johns Hopkins University was the first of several engagements during his visit to the U.S. capital. He will also meet with Secretary of State Warren Christopher, Interior Secretary Bruce Babbitt, Labor Secretary Robert Reich, National Security Advisor Anthony Lake, as well as Congressional leaders.

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For further information, media representatives may contact:

Catherine Lappe Director of Communications Office of the Minister of Foreign Affairs (613) 995-1851

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Statement

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NOTES FOR AN ADDRESS BY

THE HONOURABLE LLOYD AXWORTHY,

MINISTER OF FOREIGN AFFAIRS,

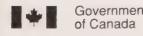
AT THE JOHNS HOPKINS SCHOOL OF

ADVANCED INTERNATIONAL STUDIES

"PARTNERS IN PROGRESS:

CANADA AND THE UNITED STATES IN WORLD AFFAIRS"

WASHINGTON, D.C. March 27, 1996





Professor Doran, members of the Canadian Studies Group, ladies and gentlemen:

I am very pleased to be with you all here today. Some of you may know that I was a student myself at a U.S. university — Princeton — many years ago, and I remember that time fondly. As far as I know, most Americans only remember Princeton for the upset wins of its college basketball team in NCAA tournaments!

The final week of March madness seems an appropriate time to offer remarks on Canada and the United States. It triggers memories of my initiation to the game during the glory days of Bill Bradley at Princeton. In watching the recent Princeton-UCLA game, I drew inspiration in seeing my alma mater take on a bigger, stronger, more powerful team and succeed with a combination of quickness, teamwork, cool ball handling and smart play. A fitting metaphor, perhaps, for Canadian foreign policy.

It is a pleasure to see that universities such as Princeton and Johns Hopkins continue to see value in the study of Canada. Anyone who has doubts about it only needs to be reminded of recent events relating to such varied issues as Cuba, Sports Illustrated, softwood lumber and Pacific salmon to understand that Canadians and Americans will never run out of things to talk about! I think it always useful to remember that ours is the most interconnected bilateral relationship in the world. More than 230 agreements govern our relations, ranging from air traffic to cars to customs arrangements to air and water quality issues to defence. We are each other's most important trading partner, with cross-border business valued at over \$1 billion daily. One hundred and ten million Canadians and Americans visit each other every year. In short, we have much in common and much to share.

What we have learned in all of this is the necessity of finding rules to govern our relationship — a framework to enhance our mutual interests. Today's fast-evolving world requires us to rely even more heavily on our well-developed capacity to build on this framework. I am reminded of President Clinton's comment that we need a mainframe explanation for the PC world we live in, but I am also reminded of Bill Gates' point that we risk being overtaken by a set of new interdependencies created by an accelerating web of information that is revolutionizing the world of work and diplomacy alike. We need to adapt and innovate quickly to keep up.

One of the things we must share as a consequence, and what I wish to concentrate my remarks on here today, is ideas — ideas about how to deal with the unique circumstances facing the global community today, about how to apply the time-tested willingness of Canadians and Americans to find solutions together and create a set of complementary relationships guided by accepted rules and practices that offers a model of co-operation to other nations.

Indeed, being here at the Paul Nitze school reminds me of his famous "walk in the woods." It is a timely reminder of the value of the creativity and flexibility often needed to resolve seemingly intractable disputes. These are traits common to the diplomacy of both our countries in the aftermath of World War II, when we were both "present at the creation" (as Dean Acheson put it) of such critical post-war international institutions as the UN [United Nations], NATO [North Atlantic Treaty Organization] and the GATT [General Agreement on Tariffs and Trade].

However, unlike Paul Nitze's time, which was characterized by a Cold War environment of high risk (of a nuclear conflict) but high stability, today's highly fluid post-Cold War international environment is lower risk but fraught with low stability. The euphoria brought about by the collapse of the Soviet Union and the success of the Gulf War, which led to former president Bush's suggestion of a "new world order," has long since been forgotten in the ashes of Bosnia and Somalia.

What we are witnessing is an emerging gap between the new realities of global conflict and the capacity of 50-year-old institutions to address them. The nature of conflict has changed, even though many of the basic motives or causes have not. Many global crises today are a consequence of civil rather than interstate wars that often spill over borders (new or old) and demand, in turn, enormous human and financial resources from the international community.

We all wrestle with questions of whether, when, how and how long to intervene in such conflicts. What is at stake? What justifies the risks of committing ourselves to an attempt to resolve what often seems unresolveable? Why do we allow conflicts to boil over before dealing with them, at many times the cost? The Rwanda experience is tragically instructive. The recently released study by a group of experts from 19 countries on the international response to Rwanda's conflict and genocide has shown just how many mistakes were made by the international community, not only in failing to heed the warning signs, but in fact refusing, because of petty political and financial concerns, to allow any serious effort to prevent this enormous tragedy.

We can point to numerous other examples of violent conflict that the international community seems ill-prepared to deal with. Terrorism is playing havoc with the peace process in the Middle East and threatens to undermine it in Northern Ireland. Regional tensions and arms races are proliferating in the absence of the traditional security guarantees given during the Cold War, fed by the extremes of ethnic and religious nationalism. The potential threat of nuclear conflict is again rearing its head, only this time in a much more worrisome fashion as regional rivals, rogue states and, possibly, terrorists strive to attain (or maintain) a nuclear weapons capability.

A second tier of conflict is emerging as a consequence of economic globalization. Ironically, even as globalization has helped economic growth worldwide and improved the global standard of living, its impact has been wildly uneven and largely ungoverned by rules. The decisions of a few currency traders have the capacity to ruin national economies in an instant. Wealth is increasingly concentrated in fewer hands, not only along North-South lines but also within national societies in both the developing and developed world.

We cannot stress enough the potentially huge costs of imbalanced economic growth for political stability. The regional and civil conflicts I have referred to will worsen; we are only beginning to comprehend, let alone deal with, the environmental consequences of a desperate chase for fewer resources. This is why the NAFTA [North American Free Trade Agreement] sideagreements on labour and environmental standards are so important: they are examples of the kinds of rules and non-trade elements we must have to ensure that the benefits of economic expansion and freer trade do not come at the cost of social welfare and environmental protection.

A third level of conflict is emerging, again ironically, from the spread of democracy worldwide. In the rush to promote such politically and symbolically important demonstrations of democracy as "free and fair" elections, we have forgotten to ensure that the underpinnings of sustained democracy — freedom of association, a free press, an independent judiciary, an educated population — come along with it. In our enthusiasm for instantly legitimizing the "winners" and granting state status to national elites professing democracy but not yet capable of showing that the will of people is behind them, we allow the growing presence of pseudo-democracies, which over time revert back to more traditional authoritarian (and often violent) ways — witness developments in eastern Europe and the former Soviet Union in recent months and possibly in the months to come.

Addressing this issue is not simply a matter of providing training for police officers and judges; it is a matter of helping new democracies to adapt to new ways of governing themselves that take into account their historical and cultural realities. Ending exploitative child labour, promoting a respect for human rights, preventing the re-emergence of authoritarianism through active support of democratic institution building — these all require sustained effort and constant dialogue.

This commitment is crucial above all from the United States, now the only superpower. Indeed, what is most ironic of all (and I will come back to this) is the tendency of some Americans (including those in a position to influence public opinion), at the very time when the values of democracy are most ripe for promoting and sustaining worldwide, to retreat, to draw back from

global responsibilities and obligations. We see this in Haiti and Bosnia where, notwithstanding the critically important role the United States has played to end conflict, the key consideration now seems to be how to get America out after a fixed period of time, rather than ensuring democracy takes root. I am not advocating an indefinite presence, but I would argue that persistent engagement will go a lot further in ensuring that future intervention is not needed than simply "cutting and running" because a time limit has been passed.

The impact of the fourth estate and the enormous implications of the new information age, as mentioned earlier, is yet another new factor in international relations. We are all, publics and policy makers alike, confronted by the pressures brought on by instant knowledge of global issues, crises, trends, events (above all events) — the pressures for action, of whatever kind, that come from the beamed picture sent from halfway across the world — the "CNN effect." Look at the reaction to the killing of 16 U.S. soldiers in Somalia and the unforgivable "public" display of their bodies. Consider the response to the carnage in the Sarajevo market square. Think of the result of seeing the impact of terrorist attacks in Jerusalem and Tel Aviv.

As we know, these responses are often to the good, galvanizing political action in short order. We saw this with the "Summit of the Peacemakers" in Egypt, which some 30 countries attended (including Canada) on a few days' notice. The summit is being followed by a meeting of senior experts here in Washington tomorrow and a further meeting of ministers, focussed not just on counter-terrorism but on the revitalization of the Middle East peace process. Here is an opportunity for personal, political diplomacy to make an immediate difference.

But quick responses are not always so positive; the pressure for an immediate reaction can lead to hasty decisions that do not help resolve the problem. There is also the impact of technology on how and what kind of information is passed on. The Internet, largely a good thing, is burdened with negative elements. We have seen the proliferation of hate-mongering messages, which are almost impossible to prevent and can reach anyone, young and old alike. They in turn can lead to the genocidal and "ethnic cleansing" events that shock and repel us all. Again, there is no framework, no rules of conduct to address this.

Let me emphasize that all is not doom and gloom. Opportunity as well as conflict exists. There is much that has been and can be done. There is increasing recognition of the need to define security more broadly, including the importance of personal security in all its forms, and to revitalize/transform global institutions to meet the new challenges.

We see this commitment in the emergence of new international agreements to respond to new global challenges, such as the biodiversity and climate change conventions, the recent UN agreement on straddling fish stocks, and attempts to establish new institutions such as an international criminal court.

A positive impact of the instant knowledge of crisis that the CNN effect brings us has been the rise of civil society actors willing to step in and assist, at times replace, governments and international institutions in responding to crises. The role of the international NGO [non-governmental organization] community in responding to humanitarian crises such as those in Rwanda and Bosnia are excellent examples. Although significant challenges to effective co-ordination remain, these developments also show promise in the capacity of international institutions, national governments and NGOs to work together.

Nonetheless, the overall picture must remain one of concern. The international community, to borrow a concept from international relations theory, is being faced with a paradigm shift, and we have not yet been able to figure out just how to respond. We are facing a critical test as policy makers to show that we can, both nationally and as part of a wider international community, make a difference in people's lives, to respond effectively to their needs and to make them believe again in their national and international institutions.

Canada is facing this test. We are working hard at reinventing federalism to overcome the threat posed by those who want to split the country. We are redesigning our economic and social policies to ensure we can sustain economic growth while retaining the value of work. We are confident of success in this effort and believe that indeed we can be a model for others — a prototype of the kind of society that promotes unity through diversity, tolerance through respect for differences and has the confidence to face challenge and overcome it.

I wish to reiterate the government of Canada's gratitude for the ongoing and unflinching support of the United States for our efforts.

Canada's foreign policy is also being reconfigured to meet new challenges and priorities. We need to do this on three levels — in the defining and defence of our national interests; in the pursuit of those interests in our relations with the international community; and in the division of that pursuit between bilateral, regional and global frameworks, applying the principle of subsidiarity.

We remain instinctively and practically internationalist in outlook and approach in the definition of our national interests. But we are at the same time anxious to consider how and what re-

engineering is needed. Whether it is in specific bilateral relationships such as that between Canada and the U.S., regional organizations such as the OAS [Organization of American States], or broader groupings like the UN and the Commonwealth, we are looking at ways in which Canada can help build up or in some cases rebuild the architecture to make it more responsive to today's demands and more adaptable to meet tomorrow's needs. To mention but a few examples, we are considering the best way to advance our interests in promoting arms control and disarmament. We are thinking carefully about how to promote effective development assistance and encouraging countries to spend less on arms. We are reviewing how we can best promote and advance the revitalization of the UN, including its role in peacekeeping and peacebuilding. We are rethinking our information and communications systems to see how they can be better adapted to the changing needs of diplomacy, not just for Canada but for many others who have few systems.

To make these changes, it is critical to engage our publics in the foreign policy process, publics who are increasingly aware of the broader world and its impact on their daily lives. Governments and others in civil society who take an active part in international affairs must help promote public support for engagement through collaboration, rather than isolationism or unilateralism. It is especially important to engage the younger generations. We are looking at ways to engage young people — the decision makers of tomorrow — in the foreign policy process in order to encourage them to see the importance of thinking outward in positive, creative ways.

We cannot underestimate the populist appeal of isolationism and/or unilateralism. We see it in Canada. You see it here in the U.S. It has been exacerbated by new anxieties brought on by new technologies, a revolution in the workplace, free trade, changing economies, the rise of crime. Personal security is becoming the real issue for many. As the philosopher George Steiner put it: "life in many parts of the world is becoming a series of dangerous cultural reversions in the face of rapid change."

Leaders of this growing "counter-culture" play on people's insecurities and fears; they rail against "enemies," fragmenting society. They appeal to ethnic and religious nationalism over the greater needs of internationalism. They claim to rights without attendant responsibilities, to benefits for some that create costs for many others.

We must beat back this counter-culture through a populism of our own that debunks the myths of protectionism and self-promotion and champions engagement and the value of working together to achieve common ends.

As it did 50 years ago, Canada is looking again for collaboration with the U.S. in pursuit of internationalism and engagement; this time to be present at the "re-creation" — to be involved with us in conducting the necessary re-engineering and re-inventing required to meet and overcome the challenges posed by today's conflicts, in all their dimensions. Our unique partnership, of which I have spoken, is capable of helping to pioneer and remodel ways of addressing problems. As former Canadian Prime Minister Lester Pearson put it (succinctly), Canadians have "American plumbing without American power." I would add this point: Canadians have the power of good ideas, which, when linked with good plumbing and America's capability to make things happen, can do much good.

We have had successes. On the bilateral front, NORAD [North American Air Defence] is a good example. Tomorrow I will be signing with Secretary of State Christopher the renewal of NORAD, which has for almost 40 years governed our joint effort to ensure the defence of North America. We have been able to adapt NORAD to new circumstances, and so proven its ongoing value. We can duplicate this success on other fronts, such as the environment, through organizations such as the International Joint Commission, which governs our transboundary water relations.

Our collaborative effort extends to our own hemisphere where we are working together to promote democracy and the rule of law. This is working well (so far) in Haiti, where America must remain engaged even while U.S. forces leave. It is working in our coordination on drugs, in concert with the OAS and our Latin American and Caribbean partners.

Canada and the United States can also work effectively together on the range of issues connecting human rights to trade and labour standards.

The promotion of human rights worldwide is a critical objective on its own. It has clear links to promoting democratic development. Although there are some things that can usefully be done individually, I believe multilateral co-operation is key to success in this area. An important test for us in that regard at this time is Nigeria. Canada strongly supports the active efforts of the Clinton Administration to put pressure on the Nigerian authorities to restore democracy and respect for human rights. We are also working actively on this within the Commonwealth context. Both countries can support the UN in its role as well. But it is crucial that we act in a co-ordinated manner to ensure maximum effect.

On the broader question of relating trade and labour questions to human rights, it is equally important that we consider above all how to work multilaterally. For example, Canada and the United States can work together in the context of UNICEF [United Nations

Children's Fund] and the ILO [International Labour Organization] to promote children's rights, including their right not to be exploited for labour. We need to focus on how countries can help themselves, not simply on how to enforce international rules. We need to consider how we can apply the efforts we ourselves are promoting in human resource development with corresponding support on the ground elsewhere around the world. An example is in helping to promote primary education for girls in Africa, where Canada is taking a lead and American help could make a huge difference. We need to consider how trade can reinforce respect for human rights in concrete terms.

I have mentioned the important work in combatting terrorism as another area of collaboration. Canada hosted a meeting in December of P-8 countries on this, including U.S. Attorney-General Janet Reno. It laid the groundwork for what is happening now. I also think there is much we can do together in the area of environmental security. A key illustration of how we can develop the right architecture is our work with six other Arctic nations to establish the Arctic Council. The Council, to be established this summer at a meeting in Canada of the eight Arctic foreign ministers, is designed to provide an umbrella for dialogue and common efforts to ensure the sustainable development of the circumpolar Arctic region, while ensuring a seat at the table for northern (mainly Aboriginal) peoples.

Another area is arms control. I am pleased to see the U.S. government is considering banning the use of land mines, a decision the Canadian government recently took. A similar position in Washington would be a welcome step in convincing others to take similar action. At the nuclear level, we must ensure we can succeed in having a Comprehensive Test Ban Treaty agreed to this year.

However, we do not always agree, nor should we. There is at times a disturbing trend in certain elements of U.S. foreign policy to go beyond the rules and to act unilaterally without regard for the legitimate interests of others. We have often seen this happen in trade matters, most recently on softwood lumber. But it is happening on broader political issues as well.

Cuba is a good example. The issue is not whether we should promote democracy and human rights in Cuba. Of course we should do this. Canada is doing much in this area through our development assistance program and in other actions designed to promote political pluralism and respect for human rights. We also vigorously condemned the actions of the Cuban government in the shooting down of two civilian aircraft, and strongly supported an immediate investigation by the International Civil Aviation Organization, based in Montreal, which is now ongoing.

The issue is whether it is appropriate for any country unilaterally to take measures intended to force other countries to agree with its foreign policy. I recall that when the Arab world attempted to do this through a boycott against companies trading with Israel, the U.S. Congress went so far as to legislate against U.S. company compliance with the boycott. One cannot have it both ways. One cannot unilaterally pick and choose which international rules to accept and which to ignore, nor determine unilaterally which country can be traded with and which not and try to force others to comply with these choices. If the world's only superpower is allowed to do this with impunity, what will stop others from attempting the same, with chaotic consequences for governments and business interests alike? Any community, whether it is a neighbourhood, a city, a state or province, a country or a world community, cannot function on the basis of selective adherence to the rule of law.

The same point applies with the Pacific Salmon Treaty and with questions relating to the Inside Passage. We cannot accept any attempt to extend the rule of domestic U.S. law into Canadian territory. There is a treaty — it must be respected. As importantly, we must remember that the Pacific salmon fishery is in real danger of collapse because of overfishing, with disastrous consequences not only for Canadian fishers, including Aboriginal peoples, but their American counterparts as well. That is why we have taken difficult measures domestically to reduce allowable catches. Clearly there is a shared interest in the long-term sustainability of the salmon fishery and only careful and diligent dialogue will result in agreement on both short and long-term issues.

A third issue is the financing of the United Nations. I was interested in a recent public opinion survey of Americans that suggested that 54 per cent think the UN is doing "a good job" and almost 70 per cent think the U.S. should rely on UN forces to preserve international peace and security. As significantly, nearly half of those polled agreed that if their congressional representative was against the U.S. paying its dues to the UN, this could have an impact on their decision whether to vote in favour of that representative's re-election.

I find these results a stark contrast to the attitude taken by some in Congress toward the UN. I believe most Americans would agree it is an important responsibility for their country to meet its legal obligations, including payments to the UN, yet the United States currently owes over \$1 billion in unpaid assessments. This has become a matter of international embarrassment for the United States, as your UN ambassador Madeleine Albright has recently acknowledged. Recent efforts by the Clinton Administration to focus Congressional attention on this issue and seek authority for payment is laudable, but even this involves a requirement of exchanging payments against

measurements of UN reform. No other country in the world makes this demand; indeed, the U.S. makes no such demand in meeting its financial obligations to other international organizations.

It is not that Canada opposes UN reform — far from it. We have led the efforts to scale back UN budgets, to promote cost efficiencies and reduced bureaucracy. There have been successes in these efforts, thanks also in part to the work of American Joseph Connor, who is in charge of the UN's administration. However, we must not unilaterally attach conditionality to payments. We must continue to work on making the UN fiscally responsible, and promote its critical role in addressing the challenges of international peace and security — Canada and the United States can do much in this regard. But let us not throw the baby out with the bath water by hamstringing the organization in the process.

Notwithstanding these differences, let me state my confidence that Canada and the United States must extend our instinctively held, historically driven and continually demonstrated capacity to work together in critical areas of need, where we can explore areas of collaboration and joint partnership; where our complementarity can be utilized effectively; where we can work together to promote new rules and new arrangements, whether across boundaries or across the world.

One way of ensuring this happens is by having more regular bilateral discussions of global issues at every level, including the political level, both in capitals and at international organizations such as the UN in New York and Geneva, at NATO [North Atlantic Treaty Organization] in Brussels, at the OECD [Organization for Economic Co-operation and Development] in Paris and elsewhere where we join together with the international community. We can utilize this enhanced dialogue not only to exchange ideas on strategies and actions relating to existing issues, but also to focus on how to address anticipated problems that could be forestalled by a joint effort to promote and/or take preventive measures. I look forward to discussing these possibilities further during my visit here, and in the future.

If I may return to the basketball metaphor by way of conclusion — let me suggest that the name of the game for Canada and the United States to play is not "winner take all" but, as Roger Fisher likes to put it, "win-win." March madness can be fun, but it never lasts — we need to play for the long run, in a spirit of co-operation and commitment, both of which require calm and clever ball handling.

Thank you.





96/10

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY THE HONOURABLE LLOYD AXWORTHY, MINISTER OF FOREIGN AFFAIRS, TO THE 52ND SESSION OF THE UNITED NATIONS COMMISSION ON HUMAN RIGHTS



GENEVA, Switzerland April 3, 1996



of Canada

Government Gouvernement du Canada





I am here today — on behalf of the Government and people of ${\tt Canada}$ — to reaffirm our long-standing commitment to human rights.

In the global struggle for human dignity and freedom, Canadians believe the Universal Declaration of Human Rights to be:

the foundation agreement; the core commitment; and the essential mission statement

the essential mission statement

of our participation in the community of nations.

That Declaration has been a shaping force in our world for almost 50 years. But celebration of this important anniversary in 1998 should not be an occasion for complacency or sentimentality.

Rather, this is a time for reaffirmation and renewal — for tough, concerted actions that will move the human rights agenda to the centre of a reformed and revitalized United Nations.

That is the message that I received from a recent consultation with non-governmental organizations [NGOs], representative of concerned citizens drawn from all regions and communities in Canada.

The borders of modern nation-states are porous. Our actions must increasingly be people-to-people, community-to-community.

There is no better example of this linkage than the recent UN conferences on human rights, the environment, population, social development and women, which have forged a new agenda around the definition of individual security. These issues, close to the hearts of our citizens, stimulated unprecedented activity among NGOs and citizens around the world, who began contacting each other directly and shaping the agenda of their governments.

The democratic process must now reach beyond nations to nourish and activate civic life in our communities, linking people in all parts of the world, especially the most vulnerable.

The Universal Declaration of Human Rights is the linchpin that joins us all, governments and citizens alike, in our shared aspirations.

As we approach this 50th anniversary, let us applaud the considerable victories over the last few years:

- the transformation of South Africa from apartheid to multiracial democracy;
- the steady progress to democracy in many parts of Latin
- the difficult, but determined, emergence of democracy in Haiti; and

- the democratic franchise for hundreds of millions in Russia and parts of Eastern Europe.

But let us give voice to outrage:

- at regimes like Nigeria's where oppression and corruption prevail;
- at gross violations of human rights in countries like Burma;
- at ethnic cleansing in the former Yugoslavia.

And let us express anxiety and concern:

- about Somalia, Liberia, Afghanistan, and, in Edward Luttwak's words, "some two dozen other places that once were countries," where dangerous new forms of conflict have emerged, with innocent victims caught in the crossfire. These are not wars about ideology — they are conflicts fed by trafficking, plunder and other forms of perverse commerce.

As we reaffirm our commitment to the Universal Declaration of Human Rights, I want to outline some elements of an effective and attainable human rights agenda for the UN.

What I believe is now emerging, through the work of the International Criminal Tribunals, the strengthening of labour standards, the establishment of an international criminal court, and international initiatives for the welfare of children, is the realization that real security cannot be limited to the state's domain, but must incorporate civil society. Real security means the protection of the individual. This shift in the evolving agenda of the UN means harnessing the energy of civil society to help all of us live up to our obligations. And it means holding extra-governmental groups to account for crimes against the human rights of others.

Let me outline some of the concrete ways I think we might begin the renewal of the UN in human rights.

First, we need to harness the energy of civil society.

Governments cannot act alone in promoting and protecting human rights. Some business organizations and coalitions are already working on positive action toward labour standards and human rights. As one Canadian business leader put it, "This is not just the right thing to do the simple truth is that [it is] good for business, and most business people recognize that."

Concrete ways that business can promote human rights include voluntary codes of conduct, human resource strategies, and

support for limiting government-subsidized investments to areas with satisfactory human rights records.

Consumers are another powerful resource in pushing the human rights agenda. Consumer labelling, such as the rug-mark scheme, allows purchasers to choose products that do not involve exploited labour, particularly of children. Retailers, in turn, will have an incentive to provide more choices.

I should also like to say a few words about national institutions for the protection of human rights. It is our belief that the finest constitutional or legal texts mean very little unless there exists along with them a body capable of monitoring performance against the standards they set, and available to deal with citizens who are concerned that their rights are in jeopardy. Principles are all very fine; transforming them into action is much more difficult, and we believe that national human rights agencies or similar bodies are the most effective way of realizing that objective.

Second, we need to confront two virulent forms of human rights abuse: terrorism and hate literature.

Terrorism — from Rwanda, to Oklahoma City, to Jerusalem — seems to have taken on a whole new life. It must be countered in all its forms in the most forceful ways possible, consistent with human rights standards. The key to effective action is to starve such organizations of their sustenance, money and arms. Canada, along with many other countries, is considering all possible ways to stem the flow.

An important issue to be addressed under the rubric of terrorism is the treatment of armed opposition groups within many countries. Many of these groups commit atrocities as grave as those of governments. The international community must condemn these atrocities whenever they occur, wherever they occur, and whoever may commit them. When the Universal Declaration of Human Rights says everyone has the right to life, it does not mean that only governments must respect that right.

A closely related issue is the resurgence of hate mongering, facilitated by the plethora of channels now available to spread the message. Whether it is by cable channels or radio talkshows, the Internet or fax machines, the new generation of hate peddlers has many avenues. But what links Oklahoma, Jerusalem and Rwanda is that the violence was preceded by verbal demonizing of an identifiable part of the community.

We know from both history and law that words can be a form of assault. They are almost always the opening salvos of war.

Let me quote from the Multidonor Evaluation of Emergency Assistance to Rwanda:

"In the months immediately preceding the genocide, many additional signs indicated that ... massive violence was being planned, the air was full of extremist rhetoric on radio, in public rallies and at official cocktail parties."

Perhaps the most frightening aspect of such hate mongering is its open access to the information highway. Governments must begin now to use those same powers of the electronic media and the Internet to spread the message of democracy and good government. The Web must not be left open to those who would use it to spew hatred and prejudice. It is wise to recall here Justice Holmes' famous dictum that freedom of speech does not include the freedom to recklessly shout "Fire" in a crowded theatre.

Again, we confront the need for new forms of intervention; not only in the application and reach of national laws, but also in new approaches to international co-operation.

Canada has, I believe, two important contributions to make in fighting this new strain of human rights abuse. First, we have developed important jurisprudence about the definitions of "hate" and its propagation. Second, we have technological expertise in the areas of the Internet and telecommunications.

I wish also to address some of the themes that have emerged through consultation with civil society.

The Beijing Conference unleashed unprecedented energy and interest in the human rights of women, from the day it was conceived to the last moments of negotiation on the Platform for Action.

Canada has had a long commitment to promoting the rights of women, and took the lead to establish a special rapporteur on violence against women. While I am proud of what Canada has done internationally, I must also say that we must continue to work on the domestic front to eliminate violence and discrimination.

The single message emerging from Beijing, and one that should continue to inform the work we do here, is that "women's rights are human rights."

There is perhaps no greater injustice in the world than the violation of the rights of a child. Canada has recently announced that children will become a central focus of our foreign policy. I invite other countries to join us in that priority. For while the international community ratified the Convention on the Rights of the Child more quickly than any other treaty, children's rights are massively violated daily around the

globe. Consider that 200 million children under 13 work. Consider that 100 million children live on the street. Consider that half the world's refugees are children. Consider that 5 million children are injured or disabled by war every year.

We must not allow ourselves to be paralyzed by the enormity of the problem. Instead, we must act by addressing specific issues. And surely the most odious form of child labour is child prostitution. There are concrete actions that we can and must take, domestically and internationally, to eliminate this practice.

I am hopeful that we will soon agree on the Optional Protocol on the sale of children, child prostitution and child pornography. I wish to announce today that Canada is ready now to introduce legislation that will enable criminal prosecution in Canada of Canadians who go overseas to engage in prostitution-related activities with children.

By extending Canadian jurisdiction abroad, the new legislation will address squarely the problem posed by sex-tourism when it involves children under the age of 18.

Although there is not yet any international legal agreement to deal specifically with child sex-tourism, there exists an emerging international consensus that would permit states to deal effectively with this issue. The Convention on the Rights of the Child provides a sufficient basis for this extension of jurisdiction.

Creating new rules or laws to combat the exploitation of children is just one part of an effective strategy. Laws without the means to enforce them are of limited use. Thus, we must look to the ILO [International Labour Organization] and other organizations to find ways to give effect to our international obligations.

Aboriginal concerns are high on Canada's agenda. For over a year now, we have wanted them placed high on the agenda of this Commission. We have wanted them to be treated under a separate agenda item that would accord indigenous issues the special attention they deserve. So it was with a very real sense of satisfaction that I learned of your decision two days ago to establish such a separate agenda item. On my own behalf, and on behalf of Canada's First Nations, I wish to thank the Commission for its understanding and support in this vital matter.

Finally, I wish to address reform and renewal of the UN Human Rights Program.

A major question that confronts us is resources. The financial crisis now facing the UN creates a strange paradox — countries

that express great support for a global agenda of human rights are nonetheless behind in their payments to the UN.

Moreover, the 2.26 per cent of the UN regular budget that is now devoted to human rights is surely not in keeping with the range of human rights issues and challenges confronting us.

But as important as they are, resources are not the only problem. If Rwanda has taught us anything, it is the need for more effective co-ordination among the different parts of the UN, and the need for an early warning, rapid reaction and prevention system that will respond in time to impending large-scale human rights abuses. We need to explore the recommendation of the Rwanda Report calling for a small, high-calibre unit under the High Commissioner for Human Rights, with the sole function of analysing and interpreting indications of genocide and other escalating violations of human rights.

Canada is proud of its role in helping to establish the Office of the High Commissioner for Human Rights, and I wish to thank the High Commissioner for his leadership in the promotion and protection of human rights around the world. He has a very heavy responsibility, and needs the support of the entire UN membership. Nowhere is this more true than in Rwanda and in the former Yugoslavia, where human rights work is essential to the establishment of just and lasting peace. I am therefore pleased to announce that Canada will contribute a further \$500 000 to the Human Rights Field Operation in Rwanda and \$300 000 to the Program of Operations in the former Yugoslavia.

If it is to be both effective and relevant, the UN must change its approaches and its institutions. And as we make the necessary changes, let us also move the system from one that is based solely around the interests, priorities and responsibilities of states, to one that responds to those of the citizenry as well.

I conclude with a question: Why should we renew and strengthen our commitment to human rights?

The answer is clear. If we turn away from the desolation and dismay of human suffering; if we fail to stop hatred from flowing through the channels of our new electronic networks; if we do not care about the present or future of vulnerable children; if we do not stand up to the despots and bullies; if we do not counter the capricious and arbitrary actions of authoritarian governments with no legitimacy beyond weaponry and terror — then we will face harsh consequences down the road. On the larger landscape of human society, what began as hateful rhetoric may turn into urban terrorism, regional warfare or genocide.

The Universal Declaration of Human Rights has been and continues to be an instrument that defines our responsibilities, even as it binds us together as both citizens and governments. A revitalized commitment to human rights should be the beacon of a common global destiny of opportunity and freedom.

Thank you.





Statement

96/11

CHECK AGAINST DELIVERY

THE HONOURABLE ART EGGLETON,

MINISTER FOR INTERNATIONAL TRADE,

TO THE INAUGURAL MEETING OF THE CANADIAN-HELLENIC

CHAMBER OF COMMERCE

"Canada's Relations with Greece and Europe"



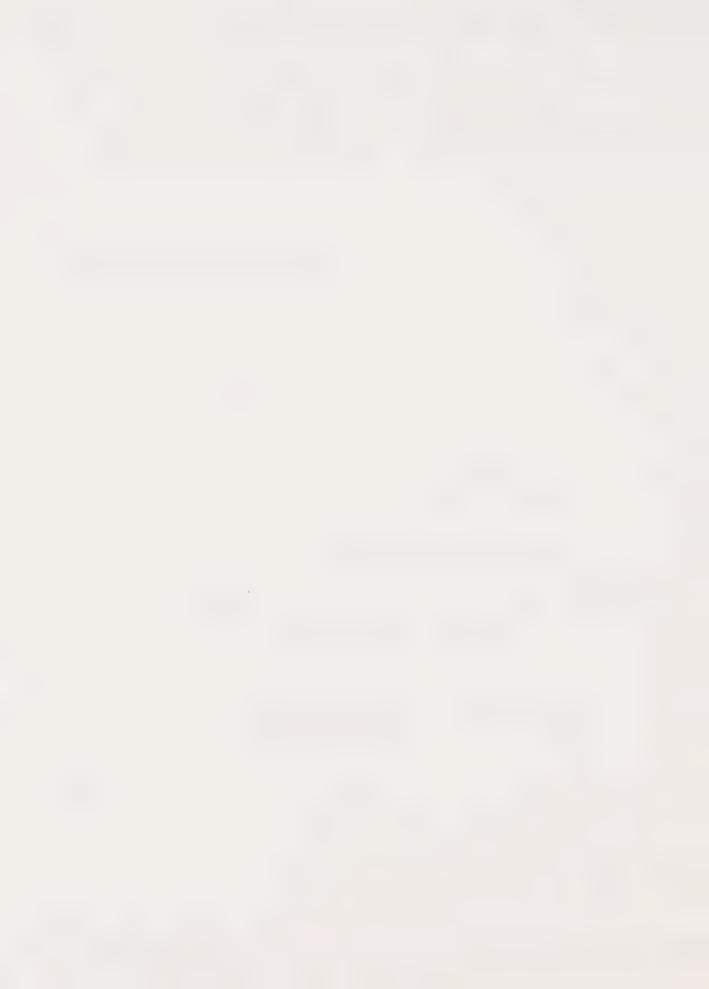
ATHENS, Greece April 9, 1996



Government of Canada

Gouvernement du Canada





Mr. Van Schie, Ladies and Gentlemen,

I thank you for the opportunity to address the inaugural meeting of the Canadian-Hellenic Chamber of Commerce. I also would like to thank Mr. Peter Van Schie, Vice-President of Scotiabank in Greece, for his leadership in promoting the creation of this Chamber. This is my first visit to Greece and it is a pleasure to witness first-hand the excellent co-operation that has developed between our business communities and our governments.

My visit is evidence of the importance the Government of Canada places on enhancing this co-operation. I believe Canada and Greece stand poised on the threshold of important opportunities and that we must work together to realize their full potential. For this reason, the establishment of the Canadian-Hellenic Chamber of Commerce is a timely development in our relationship.

In the spirit of the Canada-Greece relationship, I'd like to share some frank thoughts on the current state and future direction of our trade and investment relations.

Canada and Greece have built a solid foundation. Canadian exports to Greece continue to gain momentum, increasing by 45 per cent last year to \$121 million. This growth comes from hard work and creative thinking on both sides.

Canada has also developed a significant investment presence here. In fact, the two largest single foreign investments in Greece over the last 30 years have been Canadian. Cumulative and planned investments are currently valued at an estimated US\$1 billion — which is tremendous if you consider that, by comparison, Canada has one-tenth of the population of the United States, which claims investments valued at US\$1.2 billion.

Recent investment decisions indicate Canadian companies' continued confidence in the opportunities here. For example, Canada's Denison Mines — which owns 70 per cent of the North Aegean Petroleum Corporation and has been operating in Greece for the past 10 years — will be expanding its operations further. TVX Gold — which recently bought the Kassandra Mines in Halkidiki — has announced it will invest US\$300 million over the next five years. The Bank of Nova Scotia — which has served the Greek market since 1969 — has recently expanded its presence from five to seven branches, and is in the top half of foreign banks in Greece.

But the picture could still be better. Despite the tremendous opportunities for increased trade between Canada and Greece, our two-way trade is still only \$190 million.

We need only look at developments over the last few years and future prospects to see why there is room for improvement.

As a member of the European Union [EU], Greece has opened its market to its neighbours and gained access to the second-largest market in the world — a market of more than 300 million people.

Canada, for its part, has gained access to the United States and Mexico through the North American Free Trade Agreement [NAFTA]. This has given firms in Canada free and secure access to a huge market and excellent sources of supply.

I am sure you will agree that these two initiatives create a strong impetus for greater co-operation and partnerships between our respective business communities. Indeed, through partnerships, Canadian and Greek companies can not only serve their own domestic markets more effectively, but can penetrate third countries as well.

The advantages of establishing partnerships cannot be overstated, especially when we consider that Greece will be embarking on major infrastructure projects in coming years. Canada is a recognized leader in a number of areas related to infrastructure, including engineering, transportation systems and design, telecommunications and mining. These infrastructure projects present exciting opportunities for our business communities to work together.

In fact, few other countries can offer you Canada's range of expertise. Canadian companies are successful in international markets because they bring more to the table than good products and services — they bring a willingness to adapt, to transfer technology and to form strategic alliances.

Already our commercial interests are numerous. Canada's Bombardier, a leading manufacturer of mass transport systems and the company that provided the railcars for the English Channel tunnel, is part of a consortium bidding for the Thessaloniki Metro project. In fact, I should note that their bid was evaluated as the best technically. The Canadair division of Bombardier is also interested in selling amphibious aircraft to help combat forest fires in Greece.

In assessing the opportunities for co-operation between our business communities, we should not overlook another advantage. There are over 300 000 Canadians of Hellenic origin living in Canada and about 20 000 Canadians living in Greece. These groups help stimulate economic co-operation and promote tourism and cultural exchanges. They are an essential bridge between our two countries.

The establishment of the Canadian-Hellenic Chamber of Commerce will provide yet another bridge. It is an important step toward encouraging greater partnerships between Canadian and Greek companies. You will play an invaluable role in raising the

profile of Canadian products and services in Greece and increasing awareness of Greek exports to Canada. This organization can also help the Canadian and Greek governments to better facilitate trade and investment.

I can assure you that the Government of Canada will work together with the Government of Greece to support greater co-operation between our business communities. For instance, Canada and Greece are currently negotiating a Double Taxation Agreement to strengthen our economic relations. This agreement will benefit individuals and companies active in both countries.

My visit has provided an opportunity to discuss other ways we might facilitate trade and investment between Canada and Greece. I met yesterday with Minister of Macedonia Thrace Phillipos Petsalnikos in Thessaloniki, and today with Minister of Development Vasso Papandreou, Alternate Minister of Foreign Affairs Georgios Romaios and Deputy Minister of International Economy Emmanuel Bedeniotis.

These meetings provided an opportunity to share some thoughts with my counterparts. In particular, I believe that trade and investment between Canada and Greece will continue to grow, especially with greater liberalization of, and clarity on, conditions of trade and investment.

My visit has also provided an opportunity to discuss another important objective for Canada: expansion of Canada-EU relations. During my meeting today with Mr. Georgios Romaios we discussed the possibility of an agreement between Canada and the EU as part of a Transatlantic Agenda.

Canada wishes to negotiate a Joint Declaration and Action Plan with the EU to cover a number of areas, including foreign policy and security, justice and home affairs as well as trade and economic relations. EU trade commissioner Sir Leon Brittan was just in Ottawa in March and he and I discussed the beginning of the process leading to such an agreement. I met with Mr. Romaios to elicit Greek support for this initiative.

The ties of history, culture and values that Canadians have with Europe, and our existing political and economic links, suggest that we should renew our relations to face the challenges of the post-cold war era.

Canada believes we must refocus our transatlantic relationship from security to greater economic integration and political cooperation. This will help secure Canada's trade and investment interests and expand our links with this growing world power. We are hopeful that we can conclude negotiations on a Canada-EU Declaration and Action Plan before the end of June. This

agreement will set out an agenda that will guide our relationship well into the next century.

While there is much governments can do to create opportunities for business, it is you, the entrepreneurs, who will see that their full potential is realized. It is the private sector that must be willing to seek out opportunities beyond borders.

And Canadian companies are well positioned to do this. Although the freer flow of products and services across EU borders has made it a more competitive marketplace for Canadian companies, they are willing and able to meet this competitive challenge.

Canadian companies also recognize that, although Greece is a comparatively small market in terms of its size, the opportunities it offers are significant. Indeed, Greece's geographic location makes it an attractive base for trade throughout the Mediterranean and southern Europe.

For these and other reasons I can see Greece becoming in the near future the focal point of much interest on the part of the Canadian business community. Your presence here today, and the inauguration of this Chamber of Commerce, shows that you share this estimation.

As a Minister for International Trade and a firm believer in free trade and in the values of a free market economy, I strongly support this initiative.

I believe that a Chamber of Commerce is only as strong as its members. Its success requires, among other things, perseverance, good management, dynamic decision making and quick reflexes.

I am sure your membership will increase significantly as the work of the Chamber proves its ability to function effectively, resolve outstanding trade issues and create new business opportunities.

Your dynamic president, Mr. Peter Van Schie, has already outlined his intent to establish an ambitious program of events to support greater co-operation between our business communities.

I wish you all the best in making this Chamber a strong, influential and dynamic body, and you can be sure that you have my wholehearted support in this new venture.

Thank you.



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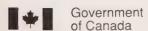
AS DELIVERED

AN ADDRESS BY THE HONOURABLE LLOYD AXWORTHY, MINISTER OF FOREIGN AFFAIRS, TO THE STANDING COMMITTEE ON FOREIGN AFFAIRS AND INTERNATIONAL TRADE

"Foreign Policy at a Crossroad"



Ottawa, Ontario April 16, 1996







Thank you for inviting me to appear before your committee. It's a real privilege.

I have reviewed your work of the last few years, and I'm struck by your dedication and accomplishments in strengthening Canada's foreign policy.

Indeed, your committee sets a very good example on how the parliamentary system can support the Government's policy making.

So I want to begin my remarks by stressing my commitment to build on this inter-party collaboration. I want to establish a regular dialogue with the committee and, through the committee, with Canadians to ensure that Canada's foreign policy is firmly rooted in today's realities. Moreover, I want more input from your committee in the necessary re-evaluation of Canada's foreign policy priorities in these times of diminishing resources.

I believe that our foreign policy is at a crossroad.

Four critical developments of the past few years make the creation of a coherent, integrated and focussed foreign policy all the more important, yet challenging.

First, there is the domestication of foreign policy.

As you are all aware, the term "foreign affairs" is increasingly an anachronism. More and more developments outside Canada have an impact inside Canada:

For example,

- foreign direct investment totals \$150 billion;
- 37% of GDP was generated last year by trade;
- 5 million Canadians are foreign born;
- 4 million Canadians travel outside North America annually for business, tourism or family reasons;
- Canada is totally within a global information and economic system where the markets never close!

We are not dealing with abstract and distant issues when we talk "foreign affairs." We are dealing with the international dimension of national issues.

More than ever, Canadians have a direct stake in developments outside our boundaries.

Second, it is the case that as the nations of the world become more interdependent, international affairs are becoming more complex. The growing need for forms of global co-ordination has produced a vast array of international bodies.

• there are more players: more countries, multinational

businesses, capital pools, NGOs, internationally active individuals;

- there are more issues, especially since subjects once considered domestic are now affected by more intrusive international rules, e.g., environment, criminal matters and health;
- there are also more regimes and institutions: from the Biodiversity Secretariat to the World Trade Organization (WTO) to the ASEAN Regional Forum (ARF) to the Middle East and North Africa Economic Summit.

It has been pointed out that by the mid-1980s there were 365 inter-governmental bodies of one kind or another, and no less than 4615 non-governmental ones — more than twice as many as in the early 1970s!

And I am sure those numbers take no account of the most profound phenomenon of the 1990s - the "virtual international networking" of sites on the World Wide Web!

Third, the demands on Canada's resources abroad are vastly increasing.

Let's take just a few examples:

- 1. Haiti's long-term need for assistance to provide the "political and civil space" to construct a democratic and more prosperous society.
- 2. The almost unanimous call from NGOs, political leaders and civilians in the former Yugoslavia for a continuation of the international presence in the area beyond December 1996.
- 3. The day-to-day financial struggle of the UN Human Rights Commissioner to meet the ever-increasing demands from an international community each day more sensitized and engaged in protecting human rights and the rule of law.

Yet against this background, there is a fourth development: our foreign policy agencies — i.e., Department of Foreign Affairs and International Trade (DFAIT), Canadian International Development Agency (CIDA), and International Development Research Centre (IDRC) — face a reduction of resources as their contribution to deficit reduction.

To give you a sense of the nature of the hard choices to be made, let me point to a few telling statistics:

1. Since 1988-89, the Department will have cut its budget on 10 occasions, bringing cumulative cuts to \$292 million by 1998-99.

To put just \$100 million into context:

• it represents the salary of 80% of headquarter's employees; or

• it reflects current total spending on consular affairs and cultural relations and communications.

- 2. More importantly, from 1988-89 to 1998-99, the percentage of spending for CORE PROGRAMS — that is "discretionary "spending — will decline from 70% to 36% of total expenditures. Why?
 - because assessed contributions that is Canada's share of costs for UN membership, UNESCO, ILO and other international organizations went from \$137 million to \$227 million, a growth of 66%.

because peacekeeping assessments jumped from \$7 million

to \$134 million, an increase of 1814%.

So, more complexity, yes...and at the same time, greater relevance close-in...reaching and shaping the lives of all of us.

Clearly, to maintain a foreign policy of which Canadians are justly proud, we must undertake a serious, considered restructuring and retooling of our operational mechanisms.

We can no longer afford overlap and duplication:

 in the federal government: We must bring coherence to the international activities of some 10 federal departments, outside DFAIT;

among foreign affairs agencies: We must carefully review the nature and delivery of development assistance to ensure we

maximize our effectiveness.

within DFAIT: We must ensure better co-ordination and

linkages, and, yes, bring more flexibility.

 between levels of government: We must review roles and responsibilities to ensure outmost efficiencies and commonality of purpose.

To that end, I will be sitting down with the portfolio ministers to review Foreign Affairs' roles and responsibilities, governance processes and structure, operations, and overseas representations.

This examination should shortly produce options for expenditure reductions, for revenue generation, and most importantly, for improved coherence in policy direction and resource management.

I will be pleased to return before this committee to share our views at the appropriate time. In the meantime, I can announce today that this year's departmental financial outlook — a more detailed overview of spending estimates for the next couple of years — will be tabled around mid-May before the committee.

The Government will not act alone in pursuing these initiatives. We want your committee to become engaged in helping define our new agenda, and through you, NGOs and interested Canadians.

With Canada's foreign policy objectives firmly established — prosperity, security and Canadian values and culture — I invite the committee to now review Canada's foreign policy priorities. This could be accomplished over a period of weeks, calling expert witnesses as required. Then I would hope the committee can report to Parliament, making recommendations on future directions.

It would be my wish to make this an annual process, reinforcing the role of Parliament in opening up foreign policy and bringing more Canadians into a dialogue about our role in these changing times.

I would also invite the committee to provide me with ongoing recommendations on new crises, concerns or priorities that emerge, such as recent developments in Cuba, Haiti, China-Taiwan-Hong Kong. For example, next week I will be participating in meetings on the international fight against terrorism, and the restoration of democracy in Nigeria.

Parliament has played a special role in foreign policy. Already, it has held several debates on such issues as Haiti: this will continue. The committee may want to act as an ongoing monitoring agency of current peacekeeping commitments, making recommendations to the Government as discussions get under way on withdrawal or extension.

I know you have begun setting up outreach fora, like the one later this week on development assistance. This is a welcome initiative which I hope you will renew and expand. You must be the main vehicle, the "clearing house" for exchanges between Canadians, Parliament and Government.

In the time remaining, I would like to share with the committee some priorities or central missions that could form the basis of our foreign policy:

1. Protection of Canadians abroad:

We must look into the need for additional international legal and other instruments to assist Canadians in difficulty overseas and to assist them and their relatives as may be required. I will be making an announcement very

shortly on the nomination of a special advisor to take up that critical task.

I have here copies of publication Bon Voyage, But... It will be made readily available to around one and a half million Canadians in our passport offices in the coming year. As members will note, it contains extensive information to assist Canadians when travelling abroad.

What is most interesting, however, is that it is entirely financed through advertising. This represents a unique and creative approach by my department in continuing to provide quality services to Canadians without cost to the public purse.

Other similar publications have been printed or are in production. These cover such important issues as:

- Canadians arrested abroad,
- international child abductions,
- advice to Canadians concerning the changes in Hong Kong next year,
- travel by women in foreign countries.

Creation of more jobs for Canadians, through enhanced trade promotion;

I have just returned from a trip to Moscow and I can report to you that, despite...or perhaps, because of the struggles in that country to achieve viable democracy and sustainable economic growth, the potential for "constructive engagement" between our two countries is enormous, in particular on Northern issues.

For instance, at Canada's invitation, Russian Foreign Affairs Minister Primakov agreed to consider visiting Canada this summer to establish the Arctic Council. Your committee's decision to focus on this issue has been timely in every way. I will be calling on Canadian parliamentary organizations to take an active role in these and other matters through links with their Russian counterparts.

3. Protection and promotion of Canada's interests.

Canada and the U.S. have the world's most successful bilateral relationship. But it is obvious that in matters of population and economic muscle, ours is not a partnership of equals! Therefore we must fashion mechanisms, such as more regular bilateral contacts at every level, to make our intricate and productive relationship work even better. And we must not be hesitant to defend our interests when necessary.

During my recent trip to Washington, for example, I raised

with my American counterparts the importance to current and future generations of upholding the conservation goals set out in the Pacific Salmon Treaty. It is in our mutual interest to resolve the issues at stake. We need a solution which meets both our short-term objective of reaching agreement on 1996 fishing arrangements, and our longer-term need to conserve the salmon resource, and share it equitably.

I proposed that the United States and Canada agree to binding arbitration, and they agreed to consider it.

I also registered Canada's strong concern over the extraterritorial extension of U.S. law through the Helms-Burton bill on doing business with Cuba. U.S. Secretary of State Christopher acknowledged Canada's concerns about the extraterritorial effect of the legislation and said that the U.S. would take into account the interests and concerns of Canada. The U.S. Administration has agreed to consult with us and other countries on implementation of provisions of the Act, particularly those that restrict temporary entry to the United States.

4. Support for Human Rights

I have just returned from Geneva where I addressed the Commission on Human Rights and spoke with the High Commissioner on Human Rights. I outlined some of the ways in which I believe we can renew the UN's role in protecting human rights: passing legislation to act against child sextourism; encouraging business and other non-governmental players to take some of the responsibility for ensuring that abuses do not occur; tackling the creation of effective national human rights watchdogs; and countering hate propaganda, which, I believe is essential if we are to prevent human rights violations — sometimes on a massive scale, as in former Yugoslavia and Rwanda.

The internet is an awesome new communication resource for linking people together across national, cultural and even linguistic divides. But by its very nature it can also become an unfettered channel for the propagation of hate. As a major player in information technology, Canada should take the lead in finding a solution that links free speech rights and responsibilities to defend the dignity of persons and groups in society. In this respect, the internet may serve as a prime vehicle through which we can ensure freedom of the press — a continuing preoccupation for international NGOs.

5. International Development:

International development will remain a key instrument of our foreign policy. The Government is committed to

implementing the development assistance objectives established in *Canada in the World*. I understand that my colleague, the Minister for International Co-operation and Minister responsible for La Francophonie, will be appearing before this committee in May. I am sure that he will provide further details at that time on our priorities pertaining to international cooperation.

6. UN Renewal:

In the next year, the UN, the cornerstone of the multilateral system, may face a shutdown because of a looming financial crisis.

It is a crisis brought on by countries, like the United States, which have not paid their dues. And it is a crisis brought on by a UN superstructure that has often lacked efficiency and operational effectiveness. The result is yet another crisis, a crisis of confidence in the ability of the UN to deal with the problems of our time.

We will want to act, and act quickly. One area where we can demonstrate to the world that the UN can work is in Haiti. By focussing on the creation of a credible and effective Haitian police force, Canada is in a leading position to help the Haitian people to keep their piece. I will be travelling to Haiti in May to further assess Canada's contributions.

7. Revamping our peacekeeping commitment:

Canada has, I believe, some contributions to make to help ensure that peacekeeping adapts to the demands of new kinds of instability such as internal conflicts which spill over into other countries — as in Rwanda.

First, we will be pursuing the implementation of the operational portions of our Rapid Reaction Study. Second, we will developing procedures to more quickly and smoothly deploy Canadian police trainers abroad, who are much in demand for their skills.

And finally, the whole civilian side of peacekeeping will be examined to see if we can mobilize Canadian ability and experience more broadly, in order to help war-torn countries to rebuild their civil society, notably the former Yugoslavia. In that effort, we must properly look at peacemaking — the enlarged participation of UN troops in such civilian tasks as election surveillance, economic reconstruction, human rights monitoring and social assistance.

8. Youth Outreach:

We cannot hope to maintain and develop Canada's leading

international role without involving the next generation. As I have stressed, "foreign affairs" are increasingly domestic: it will become more important, therefore, that the broadest possible range of young people understand this and begin to take part in shaping our global role. We will be using our outreach mechanism to help engage young people in international matters.

The priorities I have just outlined are by no means exhaustive. But hopefully they may give us a starting point of discussions.

I would welcome your views.

Thank you. Mr. Chairman, I would be pleased to take questions.



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A STATEMENT REGARDING PACIFIC SALMON BY THE HONOURABLE LLOYD AXWORTHY, MINISTER OF FOREIGN AFFAIRS. IN RESPONSE TO AN OPEN LETTER FROM B.C. STAKEHOLDERS ADDRESSED TO THE PRIME MINISTER OF CANADA



OTTAWA, Ontario April 19, 1996





"The Pacific salmon issue is a very high priority for the Government of Canada and we have already taken a range of actions in recent weeks to deal with this serious problem.

Since the breakdown of the mediation process in March, the Government of Canada has been consulting with the Canadian salmon negotiator, Mr. Yves Fortier, and Pacific Salmon Commissioners. My Parliamentary Secretary, Mr. Francis Leblanc, and the Parliamentary Secretary to the Minister of Fisheries and Oceans, Mr. Ted McWhinney, met with B.C. Fisheries Minister Zirnhelt and B.C. stakeholders in late March prior to my visit to Washington, D.C. I found my discussions with the Parliamentary Secretaries most useful as input to my visit to Washington.

While in Washington, I pressed Canada's case with Secretary of State Warren Christopher and Secretary of the Interior Bruce Babbitt, stressing the vital importance of salmon to British Columbia and the pressing need to resolve the dispute. I dealt with the Government of British Columbia's request by putting forward a strong case for binding arbitration several weeks ago, and the U.S. agreed to consider it.

We continue to press the U.S. to agree to binding arbitration. Secretary of State Christopher has not yet replied to the letter I sent him in this regard in early April as follow-up to our meeting. We are ready to consider appropriate options should the need arise. However, other unrelated actions outside negotiations could be counter-productive, no matter how well intentioned.

I am pleased to hear that the Government of British Columbia supports the appointment of John Fraser, Canada's Ambassador for the Environment and Sustainable Development, to take on special responsibility to further advance this important issue. Ambassador Fraser will meet shortly with U.S. officials in Washington, D.C., as well as travel to Vancouver to meet with government officials and stakeholders. I hope the Government of British Columbia finds time to share its views with Ambassador Fraser.

While in New York this week, Ambassador Fraser discussed salmon issues with high-level U.S. officials, expressed Canada's concerns and stressed the urgency of finding a solution. He will also visit the U.S. Pacific Northwest and Alaska for senior-level meetings.

We have indicated on many occasions Canadian disappointment that mediation on the equity principle of the Pacific Salmon Treaty failed. I am prepared to have the draft proposals put forward by the mediator made public. However, in accordance with the terms of mediation this would require the agreement of the U.S. The U.S. has not agreed to such a release.

Additional meetings of the Pacific Salmon Commission to discuss fishing arrangements for the 1996 season are expected to take place in May, once the U.S. has formulated a proposal on Chinook salmon. We continue to seek fishing arrangements for this year that will meet Canada's serious challenges on conservation.

We are actively pursuing a solution to this important issue for British Columbia and all Canadians. I want to continue to work with the B.C. government to find a solution. I count on its full co-operation at this critical time."

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NOTES FOR AN ADDRESS BY THE HONOURABLE ART EGGLETON, MINISTER FOR INTERNATIONAL TRADE, TO THE CANADIAN CHAMBER OF COMMERCE IN JAPAN

"A Co-operative Agenda for Action"

TOKYO, Japan April 23, 1996







I cannot think of a more important group to speak to on this my first visit to Japan as Minister for International Trade. If trade and investment are to continue growing between our two countries, if Japan and Canada are to work together to break down trade barriers around the world, you are the people to make it happen.

It is your advice and actions as business leaders and senior government officials that will get results.

What results am I talking about? I'm talking about building momentum behind trade liberalization and international rule making so that there will be more business opportunities for you and others like you. I'm talking about increasing trade and investment between Canada and Japan.

I'm talking about Japanese-Canadian partnerships in third countries as well. In essence, I'm talking about clearing away the underbrush of needless regulations and barriers so that businesses can grow and create jobs.

We can do all this because of the deepening partnership between our two countries. The statistics help to tell part of the story.

Bilateral trade surpassed \$24 billion in 1995. Canada's exports to Japan increased by 24 per cent last year alone to bring bilateral trade almost into balance.

But the other part of the story is that these increased sales are taking place across a broad range of industry sectors.

Canada continues to be an important supplier to Japan of canola and wheat, wood pulp and lumber, and coal and aluminum. But we are also fast becoming significant exporters of telecommunications equipment, executive jets and helicopters. And last year Japanese clients purchased over \$100 million worth of Canadian software.

Tourism is booming, with more than 670 000 Japanese visiting Canada last year, an increase of 18 per cent. While Vancouver, Banff, Niagara Falls, and PEI continue to draw larger numbers, Japanese tourists are also now visiting such new destinations as Quebec City, Newfoundland to watch whales, and the Northwest Territories to see the northern lights.

The most significant gain, however, has been in building products and prefabricated housing, with sales well over \$130 million in 1995. That's double the record set in 1994, and we fully expect exports to double again in 1996.

An illustration of what is going on is Selco's Canadian Place, a housing development I opened yesterday in Sendai.

This 59-unit development was built with prefabricated housing from Canada and shows how successful Canadian small and medium-sized enterprises are in Japan — and suggests that they will be even more

successful in the future. Canada is now Japan's largest supplier of prefabricated housing.

And direct Japanese investment in Canada continues to climb.

A good example is the automotive sector, where both Toyota and Honda have announced plans to double production in Canada over the next few years.

While we are doing well, both the Japanese and Canadian governments recognize that we can go much further.

So let me turn to what I believe could form a "co-operative agenda for action" — an agenda that involves co-operation between our two countries at the bilateral, regional, and global levels.

Our immediate objective is to harness our resources to expand awareness of the immense business opportunities offered by our bilateral relationship.

We have recently revised Canada's Action Plan for Japan, which is a framework for targeted business development activities in seven growing sectors: housing and building products; fish and seafood products; processed foods; consumer products; health care; tourism; and information technologies. We will continue to work with JETRO [the Japan External Trade Organization] and other Japanese agencies to carry out the objectives of the Action Plan.

A second leg of this agenda is the need to eliminate obstacles within our domestic economies to increase the competitiveness of our firms.

Based on our own experience, regulatory reform is important in increasing productivity and encouraging economic expansion. We have made considerable progress at home but we have more to do.

Regulatory reform in Japan — or deregulation as it is called here — will benefit both Japanese and Canadian companies by increasing demand and cutting costs. I urge the Japanese government and industry to press ahead with further reform.

Governments should eliminate regulatory restrictions on market access and price competition that cannot be justified on the basis of economic efficiency — or that serve no legitimate health or safety purpose.

Deregulation also touches on the third item on my agenda — investment. Canada is committed to offering Japanese investors an investment climate that is second to none.

For that reason, we have worked hard to reduce our fiscal deficit, improve regulatory efficiency, promote privatization, reduce the

costs of regulatory compliance for business, eliminate internal barriers to trade and make the most of export opportunities under the North American Free Trade Agreement [NAFTA].

We believe that this improved climate for business will not only encourage foreign investment but will also bolster domestic investment levels as companies gear up to meet the challenges of supplying overseas markets like Japan's.

Fourth, our efforts in reforming regulation and improving the investment climate should be applied to specific sectors of common concern, such as housing.

Canada has taken a particular interest in deregulation in this sector because of the clear and immediate benefits both to consumers and to domestic and foreign suppliers.

Canada welcomes the Government of Japan's commitment to reduce housing costs in Japan by promoting further reform and liberalization.

We hope that the process will gain new momentum and will deal with all barriers, including standards, fire codes and building product tariffs. We would also benefit by extending this co-operation into related areas in this sector, such as forest management.

My fifth point is that, in promoting greater co-operation between Canadian and Japanese business, we should not overlook valuable opportunities for joint partnerships in major projects in third countries, particularly in the Asia Pacific. Tomorrow I will be leading a round table of Canadian business leaders and trade officials from throughout the Asia Pacific region to explore this and other issues further.

I expect this type of collaboration will become increasingly common in coming years in our globalized business world.

The sixth component of this agenda is for us to continue our co-operation at the regional level — especially our long-term goal of free and open trade and investment in APEC [Asia Pacific Economic Co-operation forum] by the years 2010 for developed economies and 2020 for developing economies.

APEC is also an important forum for tackling a range of issues of mutual concern, such as sustainable development and the environment. I hope this co-operation will deepen further as we move towards 1997 when Canada assumes the APEC Chair.

We are already planning a wide range of activities for 1997 aimed at promoting awareness of the many opportunities in Asia for Canadian companies — particularly for small and medium-sized

companies. We will name 1997 the Year of Asia Pacific in Canada to draw attention to this fact.

The last and perhaps most important objective of this Canada-Japan action plan is to deepen our bilateral co-operation on the global stage.

We think alike in many areas. As members of the G-7, the Quad, the Organization for Economic Co-operation and Development and APEC, Canada and Japan share a mutual interest in the further development of the rules-based global trading system.

In this regard, there is scope for closer co-operation in the World Trade Organization — the WTO.

The Quadrilateral Trade Ministers' Meeting in Kobe — or the Quad as it is commonly known — sought to promote this type of co-operation as we prepare for the WTO Ministerial Conference in Singapore. Our challenge is to sustain the momentum of trade liberalization. We have already gone a long distance toward more open markets in the last few years.

The conclusion of the Uruguay Round and the creation of the WTO have given a tremendous boost to global trade and investment flows. But the WTO was in many ways just a beginning. Much work remains to be done. For example, we must continue to work toward the development of effective global rules on investment liberalization and protection.

We should also begin to discuss the complex issues related to trade and competition policy, trade and labour standards, and trade and the environment.

And we must work to ensure that important developing economies, including China and Russia, are successfully integrated into the world trading system. Indeed, it isn't truly a "world" trading system until these two important economies are part of it.

I believe that Canada and Japan can lead by example in setting the pace for a successful WTO Ministerial Conference in Singapore. I am convinced that the Government of Japan feels the same way.

We can act now on these agenda items. We have already taken steps along these paths. What we need to do is to carry through on what we have started.

In doing that, you have a key role to play. You have an interest in concrete results. So do we. Let's work together.

Thank you.



96/15

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NOTES FOR AN ADDRESS BY THE HONOURABLE ART EGGLETON, MINISTER FOR INTERNATIONAL TRADE. TO A LUNCHEON FOLLOWING A ROUND TABLE ON CANADIAN TRADE AND INVESTMENT IN ASIA PACIFIC

"Rising to the Challenge"

TOKYO, Japan April 24, 1996







Let me begin by saying what a pleasure it is to speak to you today. This lunch draws to a close my first visit to Japan as Minister for International Trade. Over the last six days I have met in Kobe with trade ministers from Japan, the United States and the European Union to discuss the future of the global trading system; I have completed a series of highly successful meetings with Japanese business people and ministers — meetings that helped to underscore the importance Canada places on our relationship with Japan; and I have spent today discussing Canada's business strategy in the Asia Pacific region with a select group of business people and senior trade commissioners.

Over these six days I have been struck by a recurring theme: That the Asia Pacific region is of huge and growing significance to Canada, and that the key to unlocking this region lies in forging partnerships with countries like Japan.

We are assembled here because we share a common understanding — that Canada will be able to share in the growth and dynamism of the Asia Pacific region only if we develop an active, concerted, focussed approach. Already Canada's export growth in the region is astounding. Last year exports to Asia rose by 33 per cent, closing at \$26.5 billion. In Japan alone our exports increased from \$9 billion to \$12 billion; exports to India have increased by 64 per cent to \$434 million; exports to Pakistan shot up over 100 per cent to \$125 million. And so on.

We have also begun to diversify into higher value-added sectors. Canada continues to be an important exporter of canola and wheat, wood pulp and lumber, and coal and aluminum. But we are fast becoming significant exporters of telecommunications equipment, software, executive jets and helicopters. To take just one example, Canada is now the largest supplier of prefabricated housing to Japan.

As we assess these accomplishments and establish our priorities for the next century, one thing is clear: the job is far from finished.

We have succeeded in building the infrastructure for greater Canadian involvement in Asia. At the same time, we stand poised on the brink of even greater opportunities. Our ability to realize our Asia Pacific potential will hinge fundamentally on our ability to develop a coherent strategy, to capitalize on existing opportunities, and to organize ourselves for future success.

One important component of our Asia Pacific strategy was the organization of the Team Canada missions to China in 1994 and to South and Southeast Asia in January 1996. Both missions were successful far beyond our expectations. Not only did they generate substantial new business — more than \$17 billion — but they have helped put Canada on the map in Asia.

We have stated to Asian business leaders and decision makers that Canada is and will continue to be a player and an ally in this important marketplace. These missions showed our intent to build long-term partnerships that will generate benefits for Canadians and their Asian partners.

APEC [the Asia Pacific Economic Co-operation forum] — of which Canada was a founding member — is another important part of our strategy for the Asia Pacific region. As you know, Canada will soon become the Chair of APEC. Having hosted the process in 1995, our Japanese friends understand well that this role confers tremendous responsibilities and challenges, but also tremendous opportunities.

The 1997 APEC meeting in Vancouver will offer an unparalleled window on Canada — demonstrating to our Asian partners that our country is an excellent place in which to invest, to study and to travel. They will be able to see first-hand Canada's expertise in energy, transportation, the environment and telecommunications and information technology. We will need to ensure that Canada's year as Chair of the APEC process is successful in the eyes of all Canadians as well as our APEC partners.

Using the APEC meeting as a catalyst, we plan to declare 1997 Canada's Year of Asia Pacific.

During this year, our aim will be to bring together Canadian businesses, particularly small and medium-sized enterprises, with the many decision makers and business leaders who will travel to Canada. Canada's Year of Asia Pacific will also have a significant cultural component to help develop Canada's capacity to work with Asia. We must increase and strengthen the range of Canadians who are "Asia-ready."

But if we intend to use 1997 to build a bridge across the Pacific, the central pillars of this bridge must be our relationships with Japan and other key countries in the region. That Japan has become an economic linchpin for the entire Asia Pacific region hardly needs re-stating.

For years now Japanese investment and official development assistance have been underwriting a considerable portion of Asian growth. Japan is not only a significant source of financing for projects in the region. Japanese companies have developed a breadth of experience in business development and a network of contacts in Asian markets.

Asia Pacific will need more than US\$1 trillion in infrastructure to accommodate its expansion over the next decade. Draw into this equation the fact that Canada's expertise lies in areas such as telecommunications and information technology, transportation, the environment and energy and human resources development.

The conclusion is obvious: by pooling resources and expertise, Canada and Japan can maximize the results of co-operation in developing markets. Recent deals to supply power generating equipment in Thailand and Indonesia, and machinery and engineering equipment in China and Siberia, demonstrate that this is a constructive approach, beneficial to all parties involved.

In the past we have tended to view Japanese firms as competitors or rivals in foreign markets; maybe it's time for us to consider them as potential partners — especially when co-operation can help to unravel some of the complexities of the Asian market and encourage more Canadian businesses to become involved.

Today's meeting represents an effort to take our mutual interest one step further.

Expanding Canada-Japan co-operation in third countries will also be a main focus of the upcoming Canada Japan Business Conference in May. This meeting will provide a further opportunity to refine how we can further alliances between Canadian and Japanese companies to gain access to third markets. Just as co-operation provides the basis for our strong and growing bilateral ties, so too can co-operation provide the basis for a common Canadian and Japanese approach to the entire Asia Pacific region.

I believe this morning's forum has made a constructive contribution to refining our priorities. I look forward to working with you in the coming months to fully elaborate and expand upon the ideas that have been put forward today. To our Japanese friends, I say unequivocally that Canada is prepared to be a serious partner in Japan and in Asia. But governments alone cannot make this happen. While there is much we can do to create opportunities for business, it is you, the entrepreneurs, who will see that their full potential is realized. It is you who will provide the drive to translate these opportunities into concrete results. Lets begin the work now to translate possibilities into realities.

Thank you.



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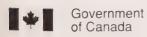
THE HONOURABLE LLOYD AXWORTHY,

MINISTER OF FOREIGN AFFAIRS,

BEFORE THE HOUSE OF COMMONS

ON THE 10TH ANNIVERSARY OF THE CHERNOBYL DISASTER

OTTAWA, Ontario April 26, 1996







Today is the 10th anniversary of the disaster of the Chernobyl nuclear station. On behalf of all Canadians I express anew our profound sympathy and condolences for the survivors of this tragic accident, for those who lost family and friends, for those who lost health and peace of mind and for those who lost their homes and their livelihoods.

We want to pay particular tribute to the courage, commitment and competence of the many Ukrainians, Russians, Belarussians and others who took determined and effective action to contend with the costs and impact of the accident often at the risk of their own lives. Many of course have since perished.

Chernobyl symbolizes the necessity for the operators of nuclear reactors worldwide to put safety first. We must all learn the lessons of Chernobyl so that such a tragedy never recurs.

The Moscow Nuclear Summit contributed to this goal by highlighting the absolute priority of the safe use of nuclear energy and by strengthening international co-operation in security and safety issues.

Both the Canadian government and the Canadian private sector have provided assistance through many channels to the victims of the accident. We have committed some \$32 million to projects aimed at relieving the suffering caused by the accident and to nuclear safety projects aimed at ensuring that such an accident will not happen again.

Canadians have shown their solidarity with the citizens of the affected areas in many different ways: from inviting to their homes young people living in areas exposed to radiation to participating in projects setting up systems to monitor the environment in the radiation fallout area.

Canada has been particularly active in the G-7 to enable Ukraine to meet its energy needs while closing the Chernobyl nuclear station and discontinuing its lingering dangers. As the chair of the G-7 last year, we led the successful negotiation of the memorandum of understanding on the closure of Chernobyl signed with Ukraine in Ottawa last December by the Deputy Prime Minister. The Prime Minister was also active at last week's Moscow Summit in reaffirming the mutual commitment to the implementation of this agreement.

Our decision to organize and host the Winnipeg conference on Ukraine's economic transition has served as a catalyst for the subsequent efforts of leading industrialized nations to come to the assistance of Ukraine.

We intend to continue our political and economic co-operation with Ukraine in nuclear safety and energy sector development and other vital fields both bilaterally and multilaterally. We will work to help Ukraine lend meaning to its precious new

independence and to win a better life for its people. That is the best way to help the victims and to honour the memory of those who have lost their lives.

Today, on the 10th anniversary of the disaster at Chernobyl, I speak on behalf of all Canadians in expressing our support and friendship for the people of Ukraine, Russia and Belarus who have all suffered the consequences of this accident. Let us keep working together to ensure that a similar tragedy never happens again.

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CHECK AGAINST DELIVERY

THE HONOURABLE ART EGGLETON,

MINISTER FOR INTERNATIONAL TRADE,

TO THE STANDING COMMITTEE ON

FOREIGN AFFAIRS AND INTERNATIONAL TRADE



OTTAWA, Ontario April 30, 1996





Honourable members, ladies and gentlemen,

It is a pleasure to meet with this Committee, and I want to express my appreciation for all of the work you are doing.

I welcome this opportunity, not only to report to you on the Government's progress, but also to receive your input and suggestions as to how we can do better.

The basic goal of our trade policy is very simple, but often forgotten: It is to provide jobs and opportunities for Canadians.

Sometimes that simple truth gets lost in the details of rights and remedies and in the minutiae of agreements and negotiations. But it is a truth that we must always keep before us.

Trade is about jobs for Canadians.

I don't need to remind this Committee of the importance of trade to our economy. International trade generates one out of every three jobs in Canada and accounts for about 37 per cent of our GDP.

In recent years, our trade performance has been nothing short of spectacular; and Canadians, from coast to coast, can be very proud of what they have achieved.

The most recent edition of the Canadian Economic Observer declared that "Canada is the strongest exporter in the G-7."

This is rightly a source of pride, but it must not become an excuse for complacency.

The successes of the past impose upon us the responsibility to maintain and exceed that performance in the future. If we are to continue to offer quality jobs to Canadians, we must continue to set our sights higher. And we are doing just that.

One of the reasons for our strong trade performance is the success we have had in liberalizing trade — both within the World Trade Organization [WTO] and through the North American Free Trade Agreement [NAFTA].

By levelling the playing field for Canadian firms, our trade policy successes have allowed many seasoned exporters to take on new markets. It has also meant that many Canadian businesses can export for the first time.

Given the opportunity, individual Canadian firms with initiative and imagination have found ways to compete — and compete profitably — in the global marketplace. They are the authors of their own success and their achievements are benefiting all of us.

But we must continually expand our exports. And to do that, we need to dramatically increase the number of companies exporting and

encourage current exporters to go after new markets. We have set ourselves the goal of doubling the number of companies exporting by the year 2000.

And there is also the other side of the coin. Just as Canada must increase its exports to others, so too must we attract quality, technology-rich foreign direct investment to this country.

More than one job in ten and more than half of Canada's exports, are directly due to international investment in Canada.

Foreign investment brings the latest technologies to Canada and increases Canadian subsidiaries' capacity to compete in global markets. And all regions of Canada benefit from these investments.

Members of this Committee know that foreign investment will not flood into Canada without effort on our part. The competition for such investment is keen, so we must be both aggressive and strategic in our efforts to attract and retain it in Canada. We have the best country in the world in which to invest, and we can never stop getting that message out.

It is absolutely essential to offer foreign investors an investment climate that is second to none. That is why we remain committed to deficit reduction. That is why we are working to eliminate regulatory burdens, barriers to interprovincial trade, and to end disputes and regulations which restrict the flow of business and business people.

Today I would like to very briefly share with you our government's priorities for international trade, and then discuss how we see the Main Estimates fitting into these priorities.

To ensure the continued development of our trade, we have identified three key priorities:

First, to effectively manage our most important trading relationship - that with the United States.

Second, to liberalize trade around the world, based on clear rules and level playing fields. To this end, we are working through the WTO and the NAFTA.

And third, to ensure that Canadian companies realize the benefits presented by a global marketplace. This means championing Canadian companies abroad, helping companies find new markets, assisting with financing where appropriate and attracting new investment to Canada.

Now, these priorities were not just pulled out of thin air. They are the result of extensive consultations with Canadian industry and with our provincial partners. And we will continue in this collaborative manner as we proceed to implement these priorities.

It should come as no surprise that our trading relationship with the United States should be our first priority: 82 per cent of our exports go to that country. In fact, we export more to Arkansas than we do to France or Mexico or Hong Kong.

The relatively stable and predictable trade environment created by the NAFTA and the WTO has encouraged an enormous expansion of Canada-U.S. trade. Our exports there have risen by 90 per cent over the past nine years under the NAFTA and the earlier FTA [Canada-U.S. Free Trade Agreement].

Over time, we have been able to bring more and more of the bilateral trade relationship with the United States within the scope of agreed trade rules; but as recent experiences have shown, we still have a way to go in building a fully rules-based trade relationship with our American friends.

For example, we will continue to make the case that anti-dumping and countervail laws have no place in a free trade area. While we have not yet convinced the United States of this, we will keep working toward a bilateral trading relationship free of such trade remedy laws. This will be a key objective as we work to expand and tighten the NAFTA.

The recent softwood lumber dispute was a case in point.

The agreement we reached was the best that could be achieved in a bad situation. We were facing a real threat by the United States to impose countervail duties on every piece of softwood lumber that Canada exports to the U.S. The agreement we reached with the U.S. on April 2, 1996, commits the United States not to launch any trade actions, such as countervail duties, on our softwood exports for the next five years. This is good news for Canadian lumber companies which will not have to face U.S. trade actions — actions which would have resulted in both high tariffs and payments by Canadian lumber companies of millions of dollars in duties to the U.S. Treasury.

Under the Canada-U.S. agreement on softwood, we continue to have secure access to the U.S. market at a level of exports that is at least as much, if not more, than our average level of softwood exports to the U.S. in each of 1992, 1993 and 1994. As a result, the Canada-U.S. agreement will preserve Canadian jobs.

These principles — of rules-based trade and freedom from countervail — also animate our approach in other multilateral and regional forums such as the WTO and the Asia Pacific Economic Co-operation forum [APEC].

We are also engaged in regional liberalization discussions where these are deemed important to Canadian interests. They include the negotiation by 2005 of a Free Trade Area of the Americas,

participation in the APEC and efforts to pursue a Canada-USA-European Union initiative.

Bilaterally, we are negotiating free trade agreements with Israel and Chile, the latter as a bridge towards its eventual accession to NAFTA.

As we move toward a rules-based trading system, differences over definitions of things like dumping, subsidies and countervail, are to be expected. We recognized this under the NAFTA and established a number of working groups to address them.

With all of our efforts — with NAFTA, the WTO and regional agreements — we have tried to establish the access to foreign markets that Canadian companies need. But access is only half the battle.

Canadian companies must be made aware of the opportunities available to them, they must be supported in their efforts to create beachheads in these new markets and the benefits of investing in Canada must be communicated to foreign investors.

We are taking action in all of these areas.

Canadians are well aware of the Prime Minister's highly successful "Team Canada" missions abroad.

The latest mission to Southeast Asia underlined the merits of the united approach, leading to some \$9 billion in new contracts for Canadian firms. This is on top of the \$13-odd billion generated by two previous Team Canada missions. This government has no intention of stopping there and, as indicated in the Speech from the Throne, the Prime Minister will be taking to the road again to drum up more business for Canada.

These missions show just how much Canadians can achieve when we work together. Now we must borrow the same approach at home in order to increase the number of companies trading abroad.

To this end we have built a *domestic* Team Canada, in partnership with relevant federal departments and agencies, the provinces and the private sector. Its mission is simple: help existing exporters find new markets, and ensure that all Canadian exporters have access to the best possible intelligence about world markets.

Over the next three months, all of the partners — at the federal level, in the provinces and the private sector — will be determining what sectors and what markets we should be keying in on.

Team Canada's task will be to:

• identify, prepare and assist companies with export potential;

- develop their interest in foreign markets;
- help them gain access to all export assistance programs; and
- facilitate their export involvement.

In order to get the "biggest bang for our buck," our direct funding assistance for international business development will be targeted to dynamic small or medium-sized companies.

The final ingredient for export success is access to competitive export financing. This often determines whether a firm can export or not.

In times of diminishing resources, when governments can no longer afford to provide all of the funding it would like or companies may need, we need to become more creative and imaginative in our approach.

The old ways of the old days, when export orders were purchased with highly subsidized export financing, must give way to new forms of risk sharing with the private sector.

We understand these new realities, and are working through the Export Development Corporation [EDC] to expand the export finance system by leveraging public and private sector resources in new and innovative ways.

We are also looking at ways to encourage Canadian financial institutions to become more involved in export financing. Some of the banks have already begun to develop strong relationships with the EDC, and we want to see these relationships grow into true risk-sharing partnerships.

Before turning to the Main Estimates, let me just give you a quick snapshot of the recent meeting of Quadrilateral Ministers in Kobe, Japan.

As you may know, the Quad, as it is more commonly called, is an informal forum of ministers responsible for international trade from the European Union, Japan, the United States and Canada. This is an important forum for Canada as it gives us the opportunity to deal as an equal with the world's leading trade powers. At Kobe we discussed our expectations for the Singapore meeting of the WTO Trade Ministers and agreed to work together on several initiatives for further trade liberalization at Singapore. These include the negotiation of an Information Technology Agreement, possibly accelerating tariff reduction commitments under the Uruguay Round and exploring options for further tariff reductions.

The Quad Ministers agreed that a successful outcome in Singapore is important in order to further the credibility of the WTO and to

confirm the health of a trading system which began with the GATT [General Agreement on Tariffs and Trade], nearly 50 years ago.

Turning now to the Main Estimates, I would point out that, like the rest of the government, we are operating in a much tighter fiscal environment. Given the importance of trade to Canada, our challenge is to act as prudently as possible without limiting the opportunities for Canadian companies abroad.

The Department's Main Estimates are \$1.37 billion for 1996/97. Of this amount, \$313 million will be spent on international business development and trade and economic policy activities. This figure includes the budgets of the international business development and the trade and economic policy branches at headquarters, as well as approximately \$190 million budgeted at missions abroad.

The first phase of Program Review assigned our Department the task of reducing our budget by \$44 million in 1995/96, rising to \$121 million in 1997/98. Of that, about \$31 million will come out of International Business Development and Trade and Economic activities.

This \$31 million savings will be reducing funding to the Program for Export Market Development [PEMD], cutting 15 Canada-based positions abroad and by reducing the program for international business development. We will also require private sector firms who participate in trade fairs to bear a portion of the costs.

As announced in the most recent federal budget, the Department will have to contribute another \$32.6 million towards deficit reduction efforts beginning in 1998/99. How this is to be done is now the subject of a comprehensive departmental review. I will be reporting back to you on the results of this review at a later time.

As a close, let me just say that Canada's reputation as a trading power is well established and continuing to grow. Canadians have demonstrated their ability to take on the world and win.

As a government, our role is to solidify the gains we have made, open new markets to Canadian enterprises, encourage more Canadian companies to sell abroad and continue to market Canada as a wonderful place in which to invest.

Toward those goals, I pledge my best efforts; and toward those goals, I know that I can continue to count on your support.

Thank you.



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CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY THE HONOURABLE ART EGGLETON, MINISTER FOR INTERNATIONAL TRADE. ON THE OCCASION OF THE 26TH WASHINGTON CONFERENCE ON THE COUNCIL OF THE AMERICAS



WASHINGTON, D.C. May 6, 1996



Canadä



It is real pleasure for me to be with you here in Washington today. Spring seems to have taken an extended leave of absence from Ottawa, so it is good to feel the warm Washington air.

It is also good to be in the capital city of the nation that has done so much and worked so hard to establish the type of free and open trading system that is increasingly becoming dominant in the world today.

I welcome the opportunity to address this distinguished audience because you have played a leading role in promoting the idea of free trade in this hemisphere — an idea that Canada welcomes and is working to see realized.

The Council of the Americas has played a vital role in helping businesses identify the opportunities presented by the Free Trade Area of the Americas [FTAA] and in broadening the perspective and deepening the understanding of governments as we deal with a myriad of challenging issues.

Today's meeting helps to maintain the momentum toward our common goal.

Canadian interest in this region is neither recent nor accidental. Ours is a position established by our membership in the Organization of American States [OAS] and the North American Free Trade Agreement [NAFTA] and by our close relationship with the Caribbean Commonwealth. It is a position strengthened by our commitment to the goals of the Miami Summit and cemented by the strong ties forged in the region, at the highest levels, by the Prime Minister's visit to Latin America and the Caribbean within the past year.

Canadian investment in the Americas is growing dramatically; our exports have nearly doubled in just four years. We now export more to Latin America than we do to France and Germany combined.

But we know that we are still only scratching the surface — that the potential is tremendous, and we intend to do whatever we can to develop that potential because it creates jobs and growth.

As we work with our hemispheric partners toward making the FTAA a reality, there are a number of challenges that confront us. I would like to touch on some of those today.

As in any journey, the first steps are often the most difficult. Canada's experience with the Canada-U.S. Free Trade Agreement [FTA], and later the NAFTA, attests to that. Before we entered into a free trade agreement with the United States in 1988, significant debate took place. Afterward, significant adjustment costs were incurred.

But since that time, Canadian exports to the United States have soared. Canadian companies have become more competitive, and

jobs are being created on both sides of the border. We are each other's major trading partner. A billion dollars of trade crosses the border every day.

There has been another important result: having made the adjustment to more open trade with the United States, Canada now has more incentive — and more freedom — to pursue free trade with other partners.

This only makes sense. Going the next logical step and opening our economy to other trading partners involves few additional costs, but places us in a better position to maximize returns on the adjustments we have already made.

My point is simply this: the free trade agreement with the United States and, later, also with Mexico did not just open our trade with those countries; it also provided the incentive to liberalize beyond the continent — to open ourselves to trade with the world.

These lessons are worth remembering today.

It is always easier to choose a destination than to plot a course. It is relatively easy to set the goal of having free trade in the Americas by 2005; it is far more difficult to decide what obligations and rights we are prepared to commit to in a final agreement.

Difficult questions must be asked. Questions such as: are certain key players still committed to the goal of free trade by 2005? If so, how should the FTAA be structured? What do we want to see in the agreement?

I have not come with answers to all of these questions today, but I would like to raise some concerns that I think need to be addressed.

One such concern is the role the United States must play in the future direction of not only the FTAA process but liberalized trade more generally.

After playing a central role in launching the FTAA initiative two years ago, the United States may be in danger of losing much of its leverage because of its failure to obtain fast-track authority for Chilean accession to the NAFTA.

And to this concern must be added the disturbing anti-free-trade rhetoric that has reverberated throughout parts of the U.S. presidential campaign. Nor can we take comfort in initiatives like the Helms-Burton Bill, which we and most other countries feel violates international law, and which seeks to isolate rather than integrate segments of our hemisphere. These and

other events raise the very real question of whether the United States will be able to play the leadership role it must in the days and months that lie ahead.

This should be of concern to all of us. The dangers of losing direction at this critical juncture can hardly be overstated. It could mean losing an historic opportunity to build bridges to the newly emerging economies of Latin America. It could risk undermining — or even reversing — the current region-wide trend toward liberalization.

Worse still, it could lead to the emergence of internal-looking protective trading blocs — a development that not only would weaken the cause of free trade in the region, but could also adversely affect relations between North and South America.

As we launch ourselves into the FTAA, let us re-dedicate ourselves to a rules-based system of trade.

It is appropriate that this message should be brought to this body and to this city, because Americans have always believed in fair trade. Indeed, trade has long been a cornerstone of American foreign policy. "The removal of economic barriers and the establishment of an equality of trade conditions among the nations" was the third of Woodrow Wilson's 14 points.

At the heart of that commitment to liberalized trade was the boundless American belief in the genius of the free market system — a system that saw the government's role as acting where it must and standing aside where it should.

Americans understood that might did not always equal right, that rules were important, and that even the wildest frontier town needed a sheriff.

For many years, the United States has worn that sheriff's star. The United States was both the architect and the protector of the world's trading system — a system that has served Americans and others well.

That same commitment to a rules-based system was brought to their international trade policy. Abroad, as at home, Americans believed that rules lead to stability and predictability; that chaos and disorder are not beneficial to anyone's long-term interests.

More fundamentally, Americans knew that rules prevent a "law of the jungle" in international trade and mitigate against the use of raw power in resolving disputes.

But it is always easy to believe in free trade when one holds a comparative advantage.

The challenge facing all of us today is to honour our commitments when we do not hold all the cards or establish all the rules.

It would be ironic if the United States or Canada or any other country that had helped to establish the rules-based system of trade now in ascendency should begin to act in ways that would threaten to unravel the very tapestry we have sewn.

We must not become our own worst enemies.

If we are sincere in our support for the rule of law; if we honestly believe in strengthening and expanding the benefits of freer trade; if we are committed to a rules-based system, not only when it is convenient but especially when it is not, then we must lead and lead decisively.

As the world moves toward a rules-based trading system, now is surely not the time to retreat into the old ways of the old days. Now is surely not the time to slacken our vigilance or abandon our commitment to those rules.

Managed trade deals, numerical targets or quotas, resultsoriented trade policies — these and myriad other terms have become euphemisms for what is really a turning away from the ideals of free trade.

They have become code words for "power should prevail," and they intimate that governments, rather than markets, should determine market outcomes. They are words and they are practices that we must resist.

In his inaugural address, President Kennedy reminded Americans that if the United States could not protect the many who are poor, it could not save the few who are rich. Today, in the world of trade, if we do not protect the many countries who are weak, we will not be able to save the few who are powerful.

Nor can we assume that the rich and the strong will always remain so, or that the poor and the weak will always remain in their condition.

Who, in the aftermath of the Second World War, would have predicted the existence of the European Union, a self-sufficient and self-confident economic power that now boasts a gross domestic product [GDP] larger than that of the United States? Who would have seen Japan standing with the second-largest economy of any single nation in the world?

And now China and India, long sleeping giants, are beginning to stir.

The harsh reality is that the world is changing rapidly, fundamentally, and profoundly. No nation, whatever its present strength or power, can confidently predict perpetual preeminence.

The day may come when the very rules that are now in jeopardy will be the same rules we will seek to invoke.

And let no one doubt that when we act in ways inconsistent with a rules-based approach to trade, we weaken the principles of free trade — principles by which, for example, we have agreed to govern ourselves under the NAFTA.

Canada has to accept some responsibility as well. The recent softwood agreement between the United States and Canada was a short-term, expedient way of handling the problem. But we should not allow such a solution to become a precedent.

Quite simply, by indulging in managed trade arrangements, we introduce termites into the edifice of free trade we have constructed — weakening its foundations and threatening its future.

Let's be frank: protectionism breeds protectionism: as long as one major market insulates itself from the rigours of international competition. Others will follow.

And we must candidly admit that the more safeguards governments create, the more seriously eroded is the credibility of organizations such as the World Trade Organization [WTO].

Such great institutions of fair and freer trade like the General Agreement on Tariffs and Trade [GATT] were built on the proposition that a liberalized system based on rules would lead to prosperity and growth, while contributing to peace and security. That proposition is as valid today as it was at their creation, 50 years ago.

In closing, let me just remind you that arrangements like the FTAA or the WTO or the NAFTA flourish only through the collective will of their members. They are not entities so much as ideals, and they survive only as long as those ideals are upheld, supported and nourished.

To abandon those ideals now would be wrong. It would be wrong for practical reasons: they have served us well and still do. It would be wrong for strategic reasons: no one is big enough to stand alone, and even if one were, one's interests would be undermined by weakening the rules that sustain them.

So the choice before us is clear: we can slip backwards into an ad hoc approach of quick fixes or we can decide to move the agenda forward.

I believe that we are strong enough and committed enough to choose the latter.

But that choice calls for strong leadership.

In 1962, in introducing the Trade Expansion Act, President Kennedy reminded Americans — and the world — that "in the life of every nation ... there comes a time when [it] stands at the crossroads; when it can either shrink from the future and retire into its shell, or move ahead, asserting its will and its faith in an uncertain sea."

Today, we again face an "uncertain sea." Under such conditions, it is understandable that we would sometimes seek refuge in ports of convenience, to strike deals and reach arrangements that see us through a particular storm.

But progress was never made by adhering only to the certain and the safe. Today, more than ever, we must have the courage to sail those "uncertain seas."

And I refuse to believe that the United States would now turn its back on a course that has brought it so many benefits in the past and that holds such promise for the future.

Let me leave you with a clear statement of the Canadian position. We are committed to free trade: we were there at the beginning of the WTO and we are committed to making it work.

Now our challenge is to create the FTAA. This represents an historic opportunity for this hemisphere — one that goes far beyond economics.

I am fully committed to this project. Canada is fully committed. And I am confident that the United States will recognize where its true interests lie and will assert its leadership as it has done so successfully in the past.

So let us go forward, knowing that united there is little we cannot do and that great as our past progress has been, our greatest achievements are yet to come.

Thank you.



Statement

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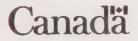
CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY THE HONOURABLE ART EGGLETON, MINISTER FOR INTERNATIONAL TRADE. AT THE SEMINAR ON **BUSINESS OPPORTUNITIES IN NORTHERN IRELAND** AND THE IRISH BORDER COUNTIES



TORONTO, Ontario May 8, 1996







I would first of all like to add my welcome to all of our distinguished guests — not only to Canada but, more particularly, to Toronto, a city I have some attachment to. As a former mayor, I am always glad to see visitors to our city!

Of course, the Irish are no strangers to Toronto. When it was incorporated as a city, in 1834, its population stood at about 9 000. By 1850, Irish immigrants had swelled that number to over 30 000. By 1921, fully 21 per cent of Toronto residents reported Irish ancestry, and over half of those came from Northern Ireland.

Through the years, men and women of Irish descent have played key roles in Toronto's growth and development.

I am also mindful that the city's first professional hockey team, the Toronto Arenas, changed their name, in 1919, to the Toronto St. Patrick's because, it was reported, they "wanted the luck of the Irish to descend on them." It worked. Wearing the green and white, with a shamrock on their jerseys, the St. Pats won the Stanley Cup in 1922.

Of course, since then, the team has again changed its name — to the Maple Leafs — but based upon recent performance, it might be time to revisit the shamrock idea!

The ties between the "old sod" and the new world are many. It was Irish labour which helped to build many of our cities; Irish literature, songs, and dance which helped to create a unique Canadian culture; and Irish leaders who helped to craft that wonderful compromise called Confederation.

The Irish influence is everywhere.

One of the most famous of our national symbols — the Royal Canadian Mounted Police — was modelled on the Royal Ulster Constabulary.

In fact, the Irish presence was so strong in Canada that at one point, a private member's bill was introduced in our Senate which would have made Gaelic one of the official languages. If that bill had passed, I might have been speaking in Gaelic today and you would have been struggling with my Canadian accent!

I spoke a moment ago of the role played by Irish leaders in the creation of this country. Many of the sons of Ireland left to become Fathers of Confederation.

Perhaps the greatest of these was Thomas D'Arcy McGee, who paid with his life for the principles which he held. While many people contributed to Confederation, I think it would be safe to say that no one did more to give voice and vision to that great idea than McGee.

In 1860, McGee said, "I see in the not remote distance, one great [union]... quartered into many communities, each disposing of its

internal affairs, but all bound together by free institutions, free intercourse, and free commerce."

He was speaking, of course, about Confederation, but he could just as easily have been speaking about another great union, the European Union — "quartered into many communities, each disposing of its internal affairs, but all bound together by free institutions, free intercourse, and free commerce."

Some have suggested that the European Union, where cultural differences are recognized but a common future sought, mirrors the Canadian mosaic. If that is true, the Irish can take much of the credit.

When the Irish arrived on our shores, they soon realized that the old enmities of the old world had little relevance in a new land. To be sure, there was periodic strife between the Orangemen and the Catholics, but our Irish forbears knew that they could never build a new life for themselves or their families by perpetuating ancient resentments.

They knew that while they had won their freedom, they would need tolerance to maintain it. They knew that while they must remember their past, they were not bound to repeat it. And they knew that while they would always love Ireland, they were now the sons and daughters of Canada.

Of course, Ireland, the United Kingdom of Great Britain and Northern Ireland, and Canada are united as much by present realities as we are by past experiences.

We share many international responsibilities in peacekeeping, humanitarian aid, and development assistance. We are close allies in efforts to renew and reinvigorate the United Nations, and we are each members of larger trading blocs — Canada in the North American Free Trade Agreement [NAFTA] and Ireland and the United Kingdom in the European Union [EU].

I might just note that we have never seen the EU and the NAFTA as competing blocs, but rather as complementary associations. That is why we are committed to renewing the transatlantic links which have served both sides so well in the past.

In furthering this relationship, we have begun negotiating a Joint Declaration and Action Plan with the EU to cover a number of areas, including foreign policy and security, justice, and home affairs, as well as trade and economic issues. Our goal is to finalize these negotiations by the end of May and have the document signed and in place before the end of June. Throughout this process, Ireland and the United Kingdom have given their strong support for the fashioning of a new transatlantic agenda. With Ireland assuming the EU presidency this July, we have confidence that it will

provide the necessary commitment and leadership to launch the implementation phase of this ambitious agenda.

Not only does a strong transatlantic relationship benefit both sides, it can also help to lessen concerns about "fortress Europe" or "fortress North America."

I don't always find myself in agreement with former British Prime Minister Margaret Thatcher, but her recent words to an American audience bear repeating. She said:

It is the West that has formed the system of liberal democracy which is politically dominant and which we know offers the best hope of global peace and prosperity. In order to uphold those things, the Atlantic political relationship must be constantly nurtured and renewed.

These are wise words, indeed.

By lowering non-tariff barriers, deepening governmental and business co-operation, and pursuing free trade between Europe and North America, our transatlantic relationship will not only honour our past but cement our future.

With all of this history and all of this inheritance, it is little wonder that Canada stands ready today to do whatever it can to promote peace in Northern Ireland. Recent years have seen stunning breakthroughs as well as disappointing setbacks, but let no one doubt that persistence will pay off, that patience will persuade, that peace will prevail.

We have supported the peace process not only with words of support, but also with concrete action, including the contribution of General John de Chastelain to the international body chaired by Senator Mitchell.

We welcomed the Framework Document and spoke out strongly against the tragic bombings in London.

Canada is also a significant contributor to the International Fund for Ireland, and we will continue to support that important initiative.

In addition, having closed our office in Belfast two decades ago, Canada has now restored its presence in Northern Ireland. On April 30 our High Commissioner to London, Royce Frith, was in Belfast to publicly present the Order-in-Council appointing the new Canadian Honorary Consul in Northern Ireland, Mrs. Jeanne Rankin.

And we have gone one step further with the creation of the Canadian Partnership, a steering group designed to enable the Canadian private sector and the public sectors of the three governments to

work together to support the peace process by encouraging economic growth through increased trade and investment with Canada.

It is our aim to raise awareness among Canadian business of the growing opportunities in Northern Ireland and the six bordering counties of the Republic. The Canadian Partnership is now generating increased commercial co-operation between our countries to the benefit of all parties involved.

This Canadian Partnership is chaired by two distinguished Canadians: Belfast-born Thomas Savage, retired chairman and President of I.T.T. Canada, and Dublin-born Rowland Fleming, President of the Toronto Stock Exchange.

I would like to pay tribute to all the members of the Steering Group who have worked so hard and who have done such a magnificent job.

I would also like to recognize my predecessor, the Honourable Roy MacLaren, whose idea this Canadian Partnership was. As you know, Mr. MacLaren will be assuming the position of High Commissioner to Great Britain in June, so you know you have an important ally there.

One of the initiatives of the Canadian Partnership is the organization of two trade and investment seminars — yesterday in Montreal and today, here in Toronto. We firmly believe that economic growth can contribute to the stability of the region and that Canada has a contribution to make to that growth.

Our trade with Northern Ireland is already significant. This is not uncharted terrain for Canadians. What we hope to do through the Steering Group is to build on that solid foundation.

You have already heard of the profitable experiences of Nortel and Bombardier - just two of the dozens of North American companies operating in Northern Ireland.

These companies, which could have settled anywhere, did not land in Northern Ireland by chance. They recognized the strong fundamentals in place: a strong economic revival, the lowest unemployment in 13 years, and impressive growth rates in GDP [gross domestic product].

They understood the importance of a young, well educated workforce. (A recent Dun & Bradstreet survey ranked Northern Ireland businesses as the most profitable in the U.K.)

They appreciated the convenience of a common language. And they understood the advantages of an attractive incentive package offered by the Industrial Development Board for Northern Ireland.

Add to these features a modern transportation system which provides timely access to European markets (most major cities within two hours flying time), one of the most advanced telecommunication systems in the world, and substantial tax breaks, and you have a nearly unbeatable place for investment.

It is little wonder, then, that many companies and many countries are using Northern Ireland as a spring board into the larger European market.

In the same respect, firms from Northern Ireland can use Canada as a spring board into the lucrative North American market. There are many trade and joint venture activities open to Irish business people. Canada can be their gateway into the NAFTA, the world's largest free trade area.

Canadian companies are well positioned to seek out opportunities beyond its borders. Although the freer flow of products and services across EU borders has made it a more competitive marketplace for Canadian companies, our firms are willing and able to meet this competitive challenge.

For Canada, the opportunities in Northern Ireland are exciting. In a number of sectors — from engineering and automotive parts manufacturing, from electronics and food processing, to health technologies, Canadian companies have expertise which is highly marketable in Northern Ireland.

Growing investments in the manufacturing sector in particular are also creating supply opportunities for Canadian exporters, as well as other forms of business co-operation such as joint ventures and technology transfer.

There are also opportunities for partnerships with local software companies, to exploit the growing demand for advanced technology support services. The Software Industry Federation [SIF] was formed in 1990 to increase awareness outside Northern Ireland of the skills and services which its members can offer to potential business partners.

I would urge you to find out more about this federation and, more importantly, to use it.

So far, I have spoken mostly of Northern Ireland. Of course, the six bordering counties offer equally exciting opportunities for Canadian businesses — not to mention a 10 per cent corporate tax rate!

These dynamic counties are a vital part of the burgeoning Irish economy. Our ambassador in Dublin, Barry Mawhinney, has visited all six counties over the past few weeks to meet with county

enterprise boards and to learn from them about the trade and investment opportunities in their respective areas.

These counties boast a population of over 400 000 people, with a highly skilled workforce. And more than 100 overseas companies have already established bases there.

Irish companies have dramatically increased their market share within Europe in recent years. Fifty per cent of Irish exports go to Europe, and this level of penetration and expertise in Europe makes Irish companies ideal business partners for Canadian companies seeking a low-risk, low-cost entry into European markets.

And it is becoming easier and easier to do business in Europe. Just last December, agreement was reached on a number of trade issues, many of them on agricultural matters. So old impediments are falling away, and an immense, rich, and profitable market is opening up.

Let me just mention one other opportunity which I believe holds great potential for Canadian companies. Between 1994 and 1999, the European Union will be investing about \$14 billion in upgrading Ireland's infrastructure. Some of the expertise developed through our own infrastructure program has placed Canadian companies in the forefront of infrastructure technology.

While we have already been awarded substantial contracts for Ireland's infrastructure renewal, there is still more work to be won, and I would urge Canadian companies to seize this opportunity.

As I close, it is perhaps appropriate that I relate a story told by that great Irish writer, Frank O'Connor.

O'Connor tells how, as a boy, when he and his friends were running across the Irish countryside and came upon an orchard wall which seemed too high to climb, they would toss their caps over the wall and then they had to follow them.

Well, Canada has tossed its cap over the wall of freer trade and now we must follow it. On the other side is opportunity and potential and prosperity the likes of which we can only imagine. Europe is one of the greatest of these opportunities, and Northern Ireland and Ireland stand as old and trusted friends, ready to offer us a hand up.

Let us grasp their hands and in so doing lift our nations to greater and greater heights.

Thank you.



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CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY THE HONOURABLE ART EGGLETON, MINISTER FOR INTERNATIONAL TRADE, ON THE OCCASION OF THE **EUROPEAN UNION CHAMBER OF COMMERCE IN TORONTO GALA**



TORONTO, Ontario May 9, 1996



of Canada

Government Gouvernement du Canada





It is a special privilege to be here on Schuman Day, the national holiday of the European Union [EU], and to participate in European Week in Toronto.

Let me just say at the outset, how supportive I am of the initiative taken by the various Chambers of Commerce, trade associations and trade missions operating in Toronto to band together to form this wonderful Chamber.

While only a year old, you have already attracted an impressive list of guests, reflecting, I believe the great importance of the European Union.

Too often, we look at the future of trade and trading relationships only in terms of national or supranational organizations, forgetting that it is individual men and women who make the decisions and take the risks to invest abroad.

By providing information to Canadian entrepreneurs on how to do business in Europe, you are acting as the real catalysts for change. You are the ones driving our export growth by dealing on the ground, in very practical ways, with companies, both large and small, which are launching out into new markets and creating new wealth and new opportunities for Canadians.

Governments can only go so far or do so much to set the stage for increased trade. After that, it is up to the private sector to step up to the plate, and so I am grateful for your efforts in encouraging companies to take that decisive step.

Of course, expanding trade is not a matter of choice for Canadians: with a relatively small population, we simply must find markets beyond our own. This is a challenge that Canadians are taking on with tenacity and success.

Exports have been growing at an unprecedented rate and now represent nearly 37 per cent of our GDP [gross domestic product], compared to only 26 per cent just four years ago.

One in three jobs in Canada now depends on exports. One in three!

The latest trade figures show a record surplus of \$28 billion - smashing the previous record of about \$20 billion set in 1984.

Significantly, much of this growth is taking place in value-added sectors, which means that we are no longer just exporting raw materials for others to refine and then sell back to us at increased prices. This is good news for the long-term economic prospects of Canadians.

So our trade is growing, our exports are diversifying and our markets are expanding. Canadians are taking on the world — and winning.

But if we are to continue along this path to prosperity, we must continually raise our sights, increase our expectations and break through into new markets.

We must also increase the number of Canadian companies who export. Right now, about 5000 firms account for 94 per cent of our exports and 50 firms alone account for half of it.

We have set a target of doubling the number of exporting companies by the year 2000 - an ambitious, but attainable goal.

When Canadian companies think about exporting, most think first of our nearest and largest export market — the United States. This is only natural, given the proximity and familiarity of that market.

But no company and no country can be just one-trick ponies. We need to reach out beyond North America, to the vast, untapped markets of the world. And no market holds greater potential for explosive growth than the European Union. For Canadian companies, the opportunities are particularly great: our companies have much of the specialized R&D [research and development] expertise that European firms and research organizations are seeking.

So the need is there and the opportunity is there and the time is now. History teaches us that opportunities like this don't come along very often and that when they do, they don't last very long. The time has come to put timidity aside and to act boldly.

Europe, "the old world," is new again. The 15 states of the European Union constitute the world's largest market, accounting for about 35 per cent of all the world's trade. With the removal of internal barriers to the free flow of goods, services, capital and people, the EU is an economic superpower.

Here is a trade area made up of developed countries, boasting well-trained workforces and a market of 370 million consumers. The economies are growing, inflation is holding at around 3 per cent and the GDP is rising steadily. Quite simply, the EU has evolved into one of the most competitive markets in the world, significantly influencing global trade and investment patterns.

These are conditions that should make any exporter drool and encourage any company not presently exporting to get on board — fast!

Of course, the European Union is already a familiar market to Canadians. It is our second most important export market, with total exports in 1995 of \$16.5 billion. And this is up 34 per cent from the previous year!

Our direct investment in the EU increased by 18 per cent last year, to stand at \$28 billion.

It is also important to remind Canadian entrepreneurs that it is becoming easier and easier to do business in Europe. Last December, agreement was reached on a number of trade issues, many of them agricultural matters. So old impediments are falling away and an immense, rich and profitable market is opening up.

That Canadian businesses are being drawn to Europe should not surprise us — the ties between Canada and Europe are both ancient and deep. Next year marks the 500th anniversary of the European discovery of Canada. Since that time, European immigration to Canada, and to North America more generally, has left a legacy of common family, cultural and linguistic ties that is unparalleled between any other two regions in the world.

Nowhere else can one area look to another and see so much of itself reflected back.

Our commitments to free and open societies, human rights, market economies and the common care of the less advantaged, are values we hold in common and values we have fought to preserve.

In the last few years, the winds of change have blown across the globe with gale force. A world that once teetered on the brink of Armageddon now flourishes with ever more democracies. Open markets have overtaken closed societies; repression is giving way to freedom, and a sense of mutual connection has taken over from wary detachment.

New technology like the Internet, fax machines, satellite dishes and CNN — hardly thought of 10-15 years ago — have compressed the world as never before and changed the very nature of how nations and individuals interact with each other. There is an increasing appreciation for the many things that now unite us and a declining importance of the things that once divided us.

As nations, we are still adjusting to this new dynamic global system. We are slowly finding our way in a global order, which will be defined, for the first time, by global rules. One of the most important challenges facing Europeans and North Americans is the challenge of co-operative leadership in crafting these new global rules — and abiding by them.

When Europe and North America work together, there is little we cannot do. The EU-U.S.A. Action Plan, signed last December in Madrid, was a signal that leaders in Washington and in EU capitals realized that the time had come to formalize this new relationship. The current negotiations on a similar Canada-EU Declaration and Action Plan will make this a truly inclusive, transatlantic partnership.

Our first goal must be to ensure our continued economic development. In the coming years, the strength of a nation will be judged not by the size of its arsenal but by the strength of its ideas. Knowledge will be the new currency and a nation's stature will be determined by how innovative it is: by the number of patents it produces and the types of technology it develops. These will be the new means and measures of prosperity and our respective regions cannot be found wanting.

As the epicentres of a growing web of transborder investment, Europe and North America stand to be the main arteries of the global economy. For many industries, the pan-American or pan-European trade arrangements are still not broad enough — they want global arrangements and global rules. These rules are now being developed by the WTO [World Trade Organization] and we must strengthen and support those efforts.

A study of how to liberalize transatlantic flows is part of the EU-U.S.A. Action Plan, and a similar study is envisioned for the Canada-EU agreement. This is a good first step.

Of course, the negotiations on the Canada-EU Action Plan are not focussed solely on economic and trade issues. They also include discussions of foreign policy and international security, greater co-operation to address new global challenges such as international crime, the migration of people and protecting cultural diversity, as well as how to exploit the benefits of the information technology I spoke of a moment ago.

Barring any unforseen difficulties, we are confident that we can finalize the negotiations by the end of May.

The greater our ability to fashion common positions to address the new global environment, the better able we will be to play the leadership role we must. Neither Europe nor Canada can afford to let the international system drift.

If we can meet the challenge to act together, we can provide the stewardship necessary to put in place the pillars of a prosperous, stable and secure global order.

In that effort and toward that goal, Europe and Canada will stand, as we have stood in the past, shoulder to shoulder and arm in arm.

You can be sure that the Canadian government will do all it can to forge new alliances and open new markets. But it all begins, in a very real sense, with you.





96/21

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY THE HONOURABLE RAYMOND CHAN, SECRETARY OF STATE (ASIA-PACIFIC), TO THE CANADIAN BUSINESS FORUM



SHANGHAI, China May 14, 1996



of Canada du Canada

Government Gouvernement





Thank you for your kind introduction. Ladies and gentleman:

I would like to thank the Canadian Business Forum for the opportunity to speak with you today. It is heartwarming to see, each time I return here, the growing strength and vitality of the Forum in Shanghai.

I'd also like to thank the Shanghai Branch of the Hong Kong Chamber of Commerce for co-hosting this event. As a native of Hong Kong myself, I am pleased to see so many Hong Kong business people active in Shanghai. Canada views Hong Kong as a bridge between East and West. I was pleased with my discussion last week in Beijing with Hong Kong and Macau Affairs Office Director Lu Ping and with Foreign Affairs Minister Qian Qichen, who both assured me that it is their intention to see Hong Kong continue in this role after 1997. I outlined Canada's concerns on a number of issues with regard to Hong Kong, such as the continuity of the rule of law and issues pertaining to the SAR [Special Administrative Region] passport and the right of abode. I told both of them that, while I was pleased with their progress on these issues verbally, I looked forward to written clarification. Rest assured, Canada will remain vigilant in pressing the Chinese to ensure Hong Kong's continued vitality.

We are here today because we share an interest in expanding trade and investment between Canada and China. Judging by our recent trade performance, we have much to celebrate. Our exports to China continue to rise at unprecedented rates. They increased by nearly 50 per cent last year alone to a record \$3.39 billion. This growth is rivalling — if not outperforming — export growth in other emerging markets.

We have also made important gains in traditional and emerging sectors. China is now the largest buyer of Canadian wheat. Our exports of value-added goods have doubled over the last two years to almost 50 per cent of our total exports to China.

The challenge now is to sustain and capitalize on this momentum if we are to reach \$20 billion in two-way trade by the end of the century. This is the target Prime Minister Chrétien set during the Team Canada mission.

Let me assure you that the Government of Canada remains firmly behind you. We recognize that, as a government, it is our duty to strengthen the bilateral relationship so you can operate in a more secure and positive environment. My visit and the visits to Canada of several high-level Chinese leaders over the last year have provided such an opportunity.

At the same time, we remain committed to expanding the tools to help Canadian companies lever success in the China market, including the continued availability of EDC [Export Development Corporation] financing.

We also remain committed to our development co-operation with China. It has helped strengthen our bilateral relationship and encourage sustainable development in China. It has also helped foster a growing number of partnerships between Canadian and Chinese businesses. Through CIDA's [the Canadian International Development Agency] Industrial Co-operation Program, we will continue to support projects involving a transfer of technology or skills and viability studies for long-term co-operation agreements.

Other CIDA-funded activities, such as the training of judges and educational linkages, also help us promote Canadian objectives in the fields of good governance and the rule of law. My government has never believed that our international relationships can be reduced or simplified to a trade versus human rights argument. Systematic and wide-ranging contact, including commercial contact, leads to calls for greater openness and freedom.

Trade reduces isolationism. Trade also expands the scope of international law and generates the economic growth required to sustain social change and development. A society that depends little on trade and international investment is less likely to be open to the inflow of ideas and values than is a society that has opened its market to the inflow of goods, services and people.

The opportunities for greater co-operation between Canada and China are limitless. China's Ninth Five-Year Plan emphasizes key sectors in which Canada has a competitive advantage — particularly agriculture, transportation and telecommunications. Canada has a lot to offer — in terms of goods, services and technology — to help generate greater efficiency in these and other key sectors.

Ongoing reforms are also improving the prospects for greater trade and investment between our countries. For instance, the general tariff rate has been cut from 35 per cent to 23 per cent. Decisions to advance reforms in the financial services, telecommunications and environmental sectors are also welcome signs.

Beyond these opportunities, our success in the China market hinges in part on our approach. More than ever, business strategies must take into account the fact that China is more than just a market of 1.2 billion consumers.

China, like the United States and Europe, is actually many markets. While the central government continues to develop policies for national economic development, a great deal of business is being done at the regional level — and always under the watchful eye of the State Planning Commission.

There are at least six major regional economies, which could be easily compared to other mid-range economies in Asia. Each of these regions has a population of more than 100 million and a gross domestic product exceeding US\$20 billion.

This reality is one of the principal motivations for my visit to China. I am joined on this mission by representatives of more than 40 companies. Over the past week, we have travelled to Beijing, Dalian, Jinan and, from Shanghai, we will also visit Fuzhou and Shenzhen — cities which are key to the fastest-growing regional economies in China.

We have come to Shanghai because it is the fastest-growing regional economy in Asia. Located at the mouth of the booming Yangtze River Basin and known as "the Head of the Dragon," Shanghai has and will continue to offer significant opportunities for Canadian business.

Canada has a long history of involvement in Shanghai. In fact, later today I will be unveiling a plaque at our Consulate General with the names of Canadian Trade Commissioners who have served here since 1908. It is exciting to think we have been working here for most of the 20th century.

Investments by companies such as Power Corp., Nortel and Sun-Rype are also indicative of Canadian businesses' long-term commitment to Shanghai. Indeed, your presence here today shows that you share this commitment. You are part of an exciting dynamic which may see Shanghai become what many have disputed — China's preeminent economic financial and trade centre.

I share your enthusiasm. At the same time, we need only take a cursory look at some of the other regions I will be visiting to see why they also warrant particular attention:

Dalian is one of China's 14 "open coastal cities" and boasts the largest Economic and Technological Development Zone. Its economy grew 17 per cent in 1994 to become the largest economy in northeast China. Major development projects to modernize Dalian's infrastructure are in progress to make it, in the eyes of the city planners, the "Hong Kong of the North." The establishment of a new town to accommodate two million people, the construction of a new port and an airport expansion program all present exciting opportunities for Canadian business and their Chinese partners.

With an economy growing on all fronts, Shandong has great potential for stronger business ties with Canada. Economic growth is spurring a rapid increase in Shangdong's requirements for development of its infrastructure, energy, agriculture and telecommunications sectors. Canadians have been active in

Shandong since the mid 1980s, but now the time is ripe to build on these ties and to expand our presence in the Shandong market.

Fuzhou is another "open coastal city" in one of the fastest-growing and most economically developed regions. Economic growth in Fujian has averaged 14.5 per cent over the last decade. There are good opportunities for Canadian companies in power generation, forestry, transportation, construction, environment, food processing and telecommunications. A highway is under construction linking Fuzhou with Xiamen, one of China's five Special Economic Zones.

Shenzhen is planning to invest about US\$160 billion in infrastructure development over the next two decades in areas such as railways, airports and thermal power plants. In an effort to strengthen its production of basic materials, Guangdong has also planned major projects involving the development of ethylene and steel plants.

I think you will agree that there are unparalleled opportunities for greater Canadian involvement in these regional markets. During this mission, we have sought to gain a greater appreciation of these region's priorities. Only by doing so can we more fully participate in China's development. We have been able to cultivate partnerships which will provide the basis for further co-operation between Canadian business people and their Chinese partners.

This mission will also provide useful insight for the one-day business seminars on the Yangtze Delta region at the end of this month. They are being organized by the Canada-China Business Council [CCBC] in Vancouver, Toronto, Ottawa, and Montreal.

I look forward to highlighting the results of this trade mission when I attend the seminar in Ottawa. I'm sure these seminars will be an excellent lead-in to the CCBC's upcoming Annual General Meeting and Policy Conference here in Shanghai in November.

I am confident that you, the entrepreneurs in the Shanghai market, will see that Canadian businesses realize our full potential in China. I bid you tremendous success in your endeavours, and I offer my thanks again to the Canadian Business Forum and the Shanghai Branch of the Hong Kong Chamber of Commerce for the opportunity to speak to you today.



96/23

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY
THE HONOURABLE CHRISTINE STEWART,

JUN 17 1996

SECRETARY OF STATE (LATIN AMERICA AND AFRICA),

TO THE SYMPOSIUM ON

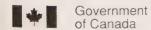
HELMS-BURTON AND INTERNATIONAL BUSINESS

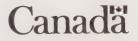
SPONSORED BY

THE CANADIAN FOUNDATION FOR THE AMERICAS

AND THE CENTER FOR INTERNATIONAL POLICY

OTTAWA, Ontario May 16, 1996







I'm delighted to speak on behalf of the Minister of Foreign Affairs and the Minister for International Trade, and to reinforce the points they have been making on Helms-Burton in the last few months. I'm also pleased that you could attend this symposium and that you represent such a wide range of interests—the business, academic and non-governmental worlds. I congratulate our own Canadian Foundation for the Americas and the Center for International Policy in Washington for organizing such a timely and important event.

It is no surprise that Canada is opposed to the Helms-Burton legislation. For one thing, it represents an approach to Cuba that diverges significantly from Canada's. Secondly, in our view, it magnifies the problems of U.S.-Cuba relations; it is like throwing oil instead of water on an unwanted fire. Thirdly, we believe it is the wrong instrument as it not only targets Cuba but threatens trading partners and friends, and disrupts international trade and investment. As my colleague Lloyd Axworthy said in a Washington speech on March 27, the "issue is whether it is appropriate for any country unilaterally to take measures intended to force other countries to agree with its foreign policy."

The focus of this symposium is the details of the Helms-Burton Act. You have many experts to debate this tonight and tomorrow. However, to appreciate the Canadian position on this legislation, you need an understanding of our Cuba policy and the history of our policy of dialogue.

At the outset, let me say that I am proud of our Cuba policy. It has strong support from all political parties and from interested Canadians. It is also quite similar to that of most other countries in Latin America and Europe.

In the broadest sense, I believe we share many of the same goals as the United States. Our aim is a peaceful transition in Cuba to a genuinely representative government that fully respects internationally agreed human rights standards. And we look forward to Cuba's becoming an open economy.

However, we differ from the United States on how to reach these objectives. We have chosen the path of engagement and dialogue; the United States has picked isolation.

For decades Canada and Cuba have discussed common goals and interests, learning from each other. There has been co-operation to our mutual benefit in international fisheries, social policies, the environment, science, culture and international arms control issues.

But there is more to our relations with Cuba than that. When I went to that country in June 1994, the Canadian government launched a small but important package of assistance for Cuba. A range of Canadian groups and organizations took up the challenge

to assist the Cuban people during the economic difficulties that Cuba has been facing.

We are now working with the Cuban government to pinpoint areas where Canadians can help Cuba modernize some of its key economic policy institutions such as the tax system and central banking. As you know, we're pretty good at collecting taxes. And we are trying to give the Cubans the tools that a modern central bank needs. We have the expertise; the Cubans want to work with us. The result will be institutions that will help Cuba enter the market economy.

We are also continuing to provide strong support to Canadian businesses seeking opportunities in the Cuban market. We have increased our embassy trade staff so that Canadian companies will get the best possible advice. And we have actively participated in Cuban trade fairs, helping to promote Canadian goods and services.

At the same time, we have pursued issues with the Cuban government where we do not agree. On human rights, we have urged the Cuban government to abide by international standards and obligations, particularly on civil and political rights. We were among the first to express concern at the severe sentence handed down in April 1995 against Francisco Chaviano, a human rights activist. We responded very strongly to the harassment in February and March this year of the Concilio Cubano, an emerging coalition of human rights activists. And human rights was a major item on the agenda when the Cuban Foreign Minister visited Canada last year.

This constant dialogue that Cuba has had with Canada and other countries has helped lead to reforms. Cuba is moving ahead with changes to economic policy. There are changes, too, in human rights areas. For example, Cuba ratified the United Nations Convention against Torture in May, and it received visits from the UN High Commissioner for Human Rights and several international human rights organizations.

There is progress, certainly, but I do not claim that we have cleared away all our differences. Canada unequivocally condemned the February 24 shooting down of two civilian aircraft by the Cuban air force. We condemned it because it was an unwarranted use of lethal force against civilian aircraft.

But let me say again: Helms-Burton is the wrong tool to fix this problem. It means turning away from direct, face-to-face discussion. It risks pushing Cuba further into isolation, perhaps leading Cubans to react in ways that help none of us. We are already seeing signs of a return to an inward-looking and militant nationalism.

Further, there are stories that Helms-Burton is having its effect — there is a growing chill on business with Cuba. The architects of the legislation may be pleased. But is that really good news? I say no.

Another serious reason for Canadian concern about Helms-Burton is, as I mentioned before, its shotgun effect. Rather than hitting a single target, it is peppering many countries — including Canada. Helms-Burton has transformed a U.S.-Cuba problem into a much broader trade and investment issue that undermines what the United States and its major trading partners have been trying to achieve in the last few years — a freer trade environment. Let me quote my colleague Art Eggleton, who said in Washington last week:

Nor can we take comfort in initiatives like the Helms-Burton Bill, which we and most other countries feel violates international law, and which seeks to isolate rather than integrate segments of our hemisphere. These and other events raise the very real question of whether the United States will be able to play the leadership role it must in the days and months that lie ahead.

In essence, the U.S. Congress is trying to impose U.S. foreign policy on other countries and their companies. It is unacceptable that Congress should attempt to dictate to Canada which countries we can do business with.

This is not the first time Canada has had to deal with this problem. We have periodically had to take action against unacceptable attempts by the United States to impose its laws extraterritorially. In 1984 Canada passed the Foreign Extraterritorial Measures Act, which provides authority for orders to block the effect of extraterritorial measures by other states on Canada.

An order under the Act was issued in 1992 to block the effect of the U.S. Cuban Democracy Act, or Torricelli Bill, by forbidding any Canadian company from complying with instructions not to trade in goods with Cuba. The 1992 order was amended in January of this year to cover trading in services with Cuba and to deal with other U.S. extraterritorial measures.

We are, of course, particularly concerned with the new Act's claims provisions and restrictions on temporary entry. As you are aware, the claims provisions — known as Title III — would permit U.S. citizens to sue foreign nationals in U.S. courts over property expropriated by the Cuban government. These measures would contravene accepted international legal practices, and would introduce uncertainty about the security of investments in the United States and third countries. The restrictions on temporary entry into the United States — known as Title IV —

would target executives of companies investing or doing business in Cuba. It would even bar the families of these executives. Who could seriously believe that a five-year-old child is a security threat?

The new law ignores established international legal practices for settling disputes between states concerning claims by foreign investors who have had their property expropriated. If the investor does not receive adequate compensation from the expropriating state, the investor's home state can adopt the investor's claim as its own. States have a number of options for resolving the state-to-state dispute. They could reach a settlement through diplomatic negotiations or they could negotiate a treaty to cover a large number of claims. Canada and many other nations took this route in settling the claims of their nationals against Cuba. Occasionally, states may agree to have the dispute settled by an international tribunal such as the International Court of Justice. Sometimes, states may agree to submit claims for resolution by a special tribunal. In fact, the United States has been doing exactly that in resolving outstanding claims with Iran.

These practices have served the world well. They provide for a disciplined and secure environment for international investment.

By ignoring accepted international practice, the Helms-Burton Act sets a dangerous precedent. If the United States behaves in this way, other countries may not feel bound to respect the rights of U.S. investors or companies trading within their boundaries. All of this could result in an international free-for-all in which the principles and practices of international law are thrown into disrepute. That's not what the world needs now.

Let me remind you that the United States is both a source and a destination of international investment. U.S. investors have an interest in supporting an effective international legal system so that their investments abroad are as secure as possible.

As a good neighbour and the major trading partner of the United States, we wonder if the U.S. Congress considered the implications if other countries were to follow its lead. What would be Congress' reaction if U.S. investors faced lawsuits of this kind in other countries? What would the reaction be if investments made by U.S. citizens in Eastern Europe, Southeast Asia or Latin America were subject to a Helms-Burton bill? U.S. legislators really need to step into our shoes to understand our outrage.

Not only does Helms-Burton brush aside accepted international legal practice, it flies in the face of our new and vital trade regime, the North American Free Trade Agreement [NAFTA]. Canada, Mexico and the United States negotiated the NAFTA to ensure that

trade is conducted under a predictable system of rules. We broke new ground in negotiating rules on investment and movement of business persons. We are concerned that this new law could violate a number of those provisions.

For this reason, we turned first to the NAFTA process and requested consultations with the United States to discuss implications of Helms-Burton on the NAFTA. Canadian officials met with their American counterparts on April 26 and will meet again later this month. We want the NAFTA talks to work. Mexico shares Canada's concerns and also participated in the discussions.

But that is not our only action. Canada has taken every opportunity internationally to muster opposition to Helms-Burton. It has not been difficult. We have discussed the issue with like-minded trading partners, gathering broad support. We have raised it at the World Trade Organization [WTO] and the Organization for Economic Co-operation and Development [OECD]. We are seeking binding instruments in the current OECD negotiations on the Multilateral Agreement on Investment [MAI] to protect investments against such measures as Helms-Burton. We won't let up.

There are important principles involved here. But there are practical concerns, too — the concerns that many of you have as business persons. We're well aware that you are worried. The Canadian government has been in touch with many Canadian companies, listening and advising. We'll continue to be in touch as the issue develops.

In fact, we value whatever advice, information and help you can give — whether you are business leaders, academics or representatives of non-governmental organizations. We must continue campaigning hard to blunt the impact of Helms-Burton on Canadians.

Helms-Burton is a thorn in Canadian-American relations. But our overall relationship is a strong one. The climate of liberalized trade between our two countries has brought many benefits. Farsighted people on both sides of the border see no value in stirring up long-term trouble between us. I am confident we shall put Helms-Burton behind us in time.

In the meanwhile, we must grapple with this damaging law — damaging to us and to the United States and its trading reputation. We must work together. It is in joint action that we will be most effective.

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Statement

96/24

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY

THE HONOURABLE ART EGGLETON,

MINISTER FOR INTERNATIONAL TRADE,

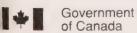
AT THE OECD MINISTERIAL MEETING



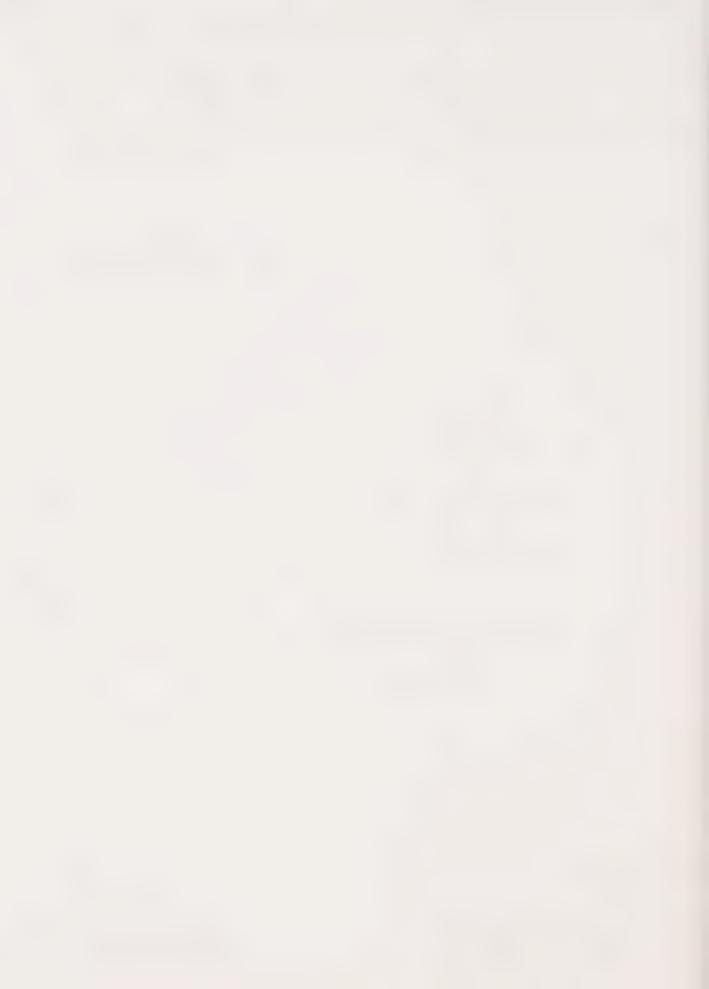
Strengthening the Multilateral System

"Singapore and Beyond"

PARIS, France May 21, 1996



Canadä



I am delighted to be here today.

Coming from Canada, a nation that is highly integrated into the global trading system, I am not really new to the cause that brings us together: strengthening the trade and economic ties that make us partners.

Here at the Organization for Economic Co-operation and Development [OECD] we have helped chart a course to continue to strengthen an open and rules-based trading system, identifying where the structure requires repair, presenting options for new rule-making, and challenging us to put our commitments into action in order to create the conditions for increased trade and investment and thereby stimulate jobs and growth. Without the structure of the multilateral trading system, with the WTO [World Trade Organization] at its centre, the global economy would not be what it is today and what it has the potential of becoming.

Our frank discussions and the work of the OECD can help us manage the pressures of those who would prefer to turn back the clock.

This ministerial represents an important point on the road to Singapore. And Singapore is a point on the road of an ongoing process. What should we seek to achieve at Singapore?

Full and effective implementation of Uruguay Round obligations is at the top of everyone's list in terms of what must be addressed at Singapore. I would include here the successful completion of the negotiations undertaken since Marrakech in the services sectors. At Singapore, we should not only commit ourselves to meeting the targets set out in the built-in agenda, but endorse substantial work programs that spell out how we will do so.

On trade and environment, we look forward to recommendations on ways in which we can improve the compatibility of our goals in these two policy fields. Investment is foreshadowed as an issue to be tackled within the WTO in the existing agreement on traderelated investment measures, and we support initiation in the WTO of a work program on investment. Trade and competition policy is another issue that was discussed at Marrakech and is an area in which ongoing OECD work has established a strong base on which future work in furtherance of trade liberalization can occur. The issue of trade and labour standards is a controversial one. We are committed to enhancing core labour standards worldwide. We must work at developing consensus with our WTO partners and address their legitimate concerns. We believe the OECD report and the outreach program should be used to promote an informed discussion to help build this consensus.

Beyond this agenda, we hope that Singapore can agree on further liberalization initiatives by faster reduction and elimination of tariffs. The information technology sector is perhaps the best candidate for an agreement. It is a sector of vital importance

to all of our economies: increasingly it is the catalyst for trade and investment.

As politicians, we are used to facing challenges and accustomed to forging alliances to achieve objectives. Therefore, we recognize the value of shared commitment and the threat when it is absent. By shared commitment I do not mean that we share all the same goals. But I do mean a commitment to the process by which we arrive at the result. When one of us acts unilaterally, it sends a message that any one of us is free to do the same thing.

Here, in the OECD, we are currently embarked upon one such multilateral undertaking: negotiations on a multilateral agreement on investment. This is a priority for Canada as it is for all of us around this table. Through the negotiation of a state-of-the-art agreement by the target date of next year's ministerial meeting, we are aiming for new rules to protect and encourage investment. Recent legislation in the United States extending sanctions against Cuba to third-party investors raises legitimate concerns about the absence of international disciplines in this area. Without the inclusion of such disciplines, any multilateral agreement on investment would fall short of our mutually agreed goal of a high standards agreement.

The OECD has much to contribute to the ongoing and collective effort to strengthening the trading system. Without the ground-breaking work of the OECD, I doubt whether we would have achieved success at Marrakech. But we did achieve this.

The role of the OECD needs to be one of leadership; to be on the cutting-edge of new and emerging issues. At the same time, it can be doing more in other fields, such as competition policy and ensuring that export credits for agricultural products are added to the OECD consensus arrangement by the target date of the 1997 OECD ministerial. A new policy area where the OECD can make a difference is that of the impact of national tax practices on investment flows. Globalization of the economy with increased competition for mobile capital have made national tax bases more vulnerable to differences in domestic tax policies. We need to lessen the adverse impact of undesirable tax practices on investment.

As trade ministers, we want to achieve a strong and vibrant global trading system as the key to economic growth and enhanced job creation. This is also the legacy we want to give our children and their common future in a world bound together by shared aspirations and mutually agreed rules.



Statement

96/25

AS DELIVERED

AN ADDRESS BY

THE HONOURABLE ART EGGLETON,

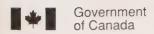
MINISTER FOR INTERNATIONAL TRADE,

AT THE OECD MINISTERIAL MEETING

"Charting the Future of the OECD"



PARIS, France May 22, 1996







Relevance, renewal, and realism. These are the reference points that can best guide our efforts in charting the future of the Organization for Economic Co-operation and Development [OECD]. The challenges and opportunities of the 21st century are upon us.

As politicians, we face complex issues and we need to make informed policy choices. To remain relevant to our political needs, the OECD's agenda must be at the cutting edge of new issues. Its analytical work must provide us with sound and useful guidance. And its deliberations must serve to strengthen our shared efforts for greater growth and the improved well-being of our citizens. Institutional renewal is essential to maintaining this relevance. Realism must temper our efforts at renewal, a realism based on budgetary necessities and on existing strengths.

What do we value in the organization?

Excellence has been a hallmark of the OECD. Secretary General Paye leaves us a rich legacy in terms of high-quality work and professionalism. But we must not take it for granted. We invite our new colleagues from the Czech Republic and Hungary to join us in building upon this standard of excellence. We value the high quality of the OECD's analysis, its tradition of peer review and consultation, and its consensus approach.

What are the elements of renewal?

First, the OECD must sharpen its vision. It must identify and assess the implications of emerging issues at an early stage.

One of the realities of a globalized world is that sectors or issues do not operate in isolation. Cross-sectoral analysis, such as the OECD's excellent work on employment, can make a tremendous contribution to how we address a complex set of issues. The OECD needs to place even greater emphasis on horizontal work.

Also, it strikes me that the work of the OECD would benefit from more participation or input from the private sector and other interest groups. The "futures program" offers a good model for private-sector involvement. Whether through renewal of the advisory committees or other means, we must draw the main players more actively into our analysis and deliberations.

Establishing priorities for the OECD is essential to renewal. Our broad priorities are clear. Promoting growth, employment and social progress while strengthening the multilateral system are important for the OECD, because we also have these priorities at home. What we have not agreed upon are the activities that are no longer a priority. To remain at the cutting edge, the OECD must have the flexibility to devote resources to new issues. With budgetary constraints, we need to discontinue work on

yesterday's issues. This means reforming the decision-making process on priorities and budget.

We all agree that the OECD must have a "global vision." We commend the Organization's efforts to expand the dialogue with significant new players. However, outreach must be effective. The current patchwork of programs with disparate objectives represents roughly one quarter of the total budget. Can we afford to continue this way? I suspect not.

I propose that we task the Organization with developing a more coherent framework for the outreach program. The objective would be to consolidate and streamline the various programs with non-members under one umbrella. This restructuring should take place over the summer, and be incorporated in the upcoming biennial budget. We should review results at our next meeting.

The objectives of outreach should be threefold: to build linkages with other organizations and regional groupings; to improve our understanding of the interdependencies with non-members; and to share our policy analysis with non-members as a means of encouraging change. The work on trade and labour standards, carried out by the OECD in full co-operation with the International Labour Organization [ILO], should now be shared with non-members to shed light on this contentious issue and to develop greater consensus.

With the growth of technical assistance activities in other international organizations and the "graduation," and even accession to the OECD, of several Eastern European countries, the Centre for Co-operation with Economies in Transition Program should be cut back drastically. Its focus should be on policy assistance, and it should be fully integrated in a consolidated outreach program.

On membership, we need to take stock of the implications of the increase in membership on the Organization's mandate, focus and operations. This argues for a "pause" in inviting any new applicants.

I am proud to have a Canadian appointed as head of this organization. We look to Mr. Johnston to provide the vision and leadership to prepare the organization to address the challenges of the 21st century. The renewal process is a challenging one, but one that is necessary. Recent budgetary cuts, some would argue, should focus the mind and bolster resolve to implement constructive reforms and strategic cuts in the 1997/98 program. However, Mr. Johnston will require the necessary financial resources and full support of member countries to do so. As an interim measure for 1996 only, we would ask that member states maintain their contributions at the amount agreed to in the December interim budget. This will allow Mr. Johnston scope to

plan for strategic cuts in the 1997/98 program. More importantly, we must all commit ourselves to support "change." A collective will is needed if we are to accomplish the goals of renewal and reform of this important organization.





Statement

96/26

CHECK AGAINST DELIVERY

THE HONOURABLE ART EGGLETON,

MINISTER FOR INTERNATIONAL TRADE,

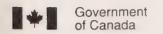
ON THE OCCASION OF

THE CANADA CHINA BUSINESS COUNCIL'S

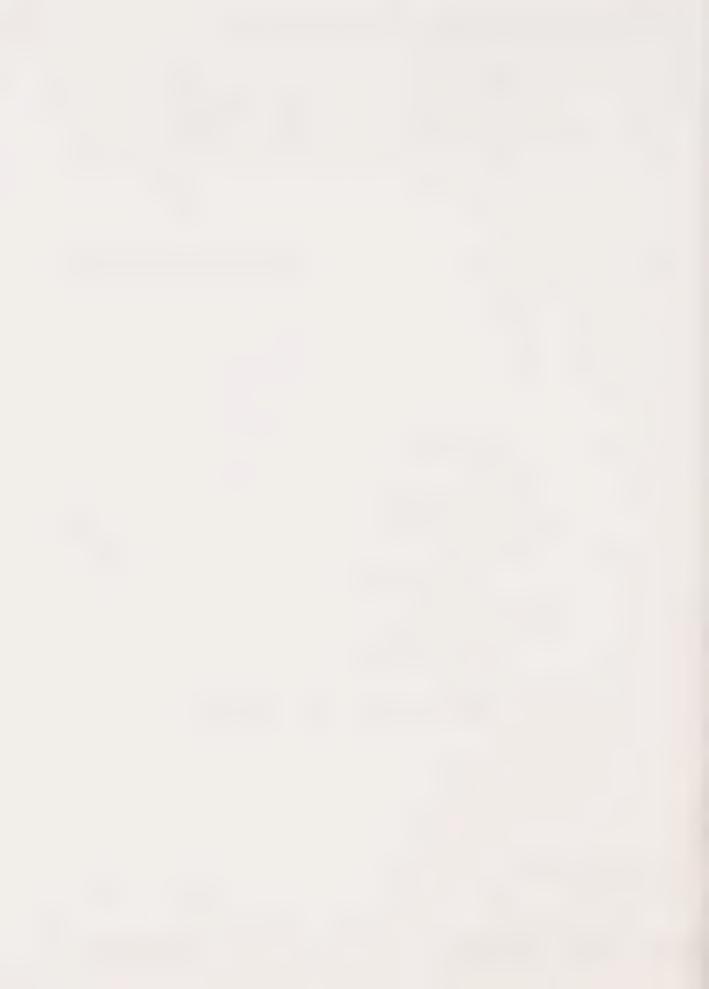
BUSINESS OPPORTUNITIES

IN THE YANGTZE DELTA REGION SEMINAR

TORONTO, Ontario May 29, 1996



Canad'ä



The Yangtze Delta is undeniably a driving force behind China's economic development. With a population of 193 million, this region's influence on international business decisions in China will continue to grow.

I am confident that these seminars will help position Canadian companies to respond to the emerging opportunities in the Yangtze Delta. I would like to congratulate the Canada China Business Council, the Conference Board of Canada and Chreod Ltd.

I would also like to mention how honoured I am by the presence of our distinguished guest, the Chairman of the China Council for the Promotion of International Trade, Mr. Guo Dongpo.

Mr. Guo, it is a pleasure to welcome you and your delegation to Canada so soon after your visit last October, when you accompanied Premier Li Peng to celebrate the 25th anniversary of formal diplomatic relations between our countries. We hope you will continue to visit us frequently.

Mr. Guo, China deserves to take pride in the achievements of 18 years of reform. These reforms have transformed your nation and captured the attention and imagination of the world community. China's rapid economic growth has been staggering by almost any measure.

Even as we celebrate China's economic progress, we are also conscious of the enormous challenges faced by China's leaders as the modernization process continues. The mammoth task of transforming a society from central planning to a market-based economy is immensely complicated.

I understand that the Ninth Five-Year Plan, which was described this morning to seminar participants, is designed to remove obstacles and bottlenecks to further development and sustained economic growth. We wish China every success in this endeavour.

At the same time, I wish to emphasize that Canada has much to offer as you seek to meet the objectives of the Ninth Five-Year Plan. Canada's strengths lie in the Plan's priority sectors, including agriculture and agri-food, telecommunications, transportation, energy and environmental protection. Canadian companies are keen to provide the experience, investment, products, services and technology that China requires.

The visit of Premier Li Peng to Canada last year, like the Team Canada mission to China led by our Prime Minister in November 1994, were watersheds in our bilateral relationship. They moved our friendship and economic partnership with China to a new and higher level. And they set a concrete target for us to work toward. I refer to the goal of \$20 billion in two-way trade by the year 2000.

When this challenge was set in 1994, two-way trade had reached \$6 billion. In 1995, two-way trade grew to \$8 billion — an increase of 33 per cent. If we break this figure down, we see that Canadian imports from China grew by 20 per cent to a record \$4.6 billion, while Canadian exports to China surged ahead by almost 50 per cent to \$3.39 billion — also a record.

We still have a long way to go in five years. But I am optimistic we will meet our target. Our trade continues to diversify every year. For instance, value-added goods now represent almost 45 per cent of total Canadian sales to China — a figure that has doubled since 1993. Well over 100 Canadian companies have established a permanent presence in China, and the number of new offices grows constantly.

Moreover, we are no longer trading goods simply at arm's length. We are investing and transferring technology to joint venture enterprises in China. We are establishing a web of business linkages between our countries that stimulate further trade and more new investment.

We continue to discuss a Foreign Investment Protection Agreement with China and hope that a final agreement can be reached in the coming months. As reforms in China permit further foreign participation in financial services, telecommunications and natural resources, the prospects for greater trade and investment between our countries will continue to improve.

At the same time, we know that investment and trade will only flourish where they are profitable and the rules are clear, fair and transparent. A recent study of Canadian business investment intentions in China by the Conference Board suggests that Canadian investors in China still encounter many obstacles, including bureaucratic barriers, an inadequate legal system and currency controls.

That is why Canada, China and the multilateral trading system will all benefit from the adoption of a more open, rules-based and transparent trade and investment environment in China. That is also why Canada supports China's early accession to the World Trade Organization and we will continue to work closely with China to realize the APEC [Asia Pacific Economic Co-operation forum] commitment of regional free trade by the year 2020. China's tariff reductions that came into effect at the beginning of April are a very positive step in this direction.

So we are making progress. And I can assure you that the Government of Canada remains firmly committed to strengthening our economic partnership with China, and to supporting your efforts to foster greater Canadian involvement in the Yangtze Delta and other rapidly growing areas of China.

Our business strategies must increasingly reflect the emergence of regional and subregional markets in China. Only by gaining a greater appreciation of priorities in these regional markets will Canadians be able to participate more fully in China's development.

For our part, Canada's Embassy in Beijing, Consulate General in Shanghai and Consulate in Guangzhou have placed a priority on gathering intelligence on fast-moving developments in China's regional markets.

I am also pleased to announce that an additional Canadian Trade Commissioner will be stationed in Beijing as of this summer. This will help Canadian companies pursue the growing number of projects financed by the World Bank and Asian Development Bank in China's regional markets.

We will also increasingly direct our high-level visits into China's regions and subregions. Mr. Raymond Chan, our Secretary of State (Asia-Pacific), has just returned from leading the first federal trade mission to focus on emerging regional markets in China. Beijing and Shanghai were of course among his destinations, but he and his 40-member business delegation also travelled to the cities of Dalian, Jinan, Fuzhou and Shenzhen to gain regional perspectives from local political and business leaders.

My colleague Anne McLellan, Minister of Natural Resources, has also just completed a visit to China that took her to Harbin in China's northeast. I am eagerly looking forward to hearing about their experiences and perceptions as I make plans for my own first visit to China in the coming months.

I am certain today's seminars will provide a useful introduction to the Canada China Business Council Annual General Meeting in Shanghai this year.





96/27

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY THE HONOURABLE CHRISTINE STEWART, SECRETARY OF STATE (LATIN AMERICA AND AFRICA), TO THE 26TH GENERAL ASSEMBLY OF THE **ORGANIZATION OF AMERICAN STATES**



PANAMA CITY, Panama June 3, 1996



of Canada

Government Gouvernement du Canada





Mr. Chairman, Excellencies, foreign ministers of the hemisphere, Mr. Secretary-General, Mr. Assistant Secretary-General, distinguished colleagues, delegates, friends:

It is an honour to be with you this week at my third General Assembly of the Organization of American States [OAS]. I would like to extend my appreciation to the Government of Panama for their hosting of this event and for the generous welcome they have extended to us. I believe that it is particularly meaningful that the nations of the Western Hemisphere are gathered in Panama, a country which truly represents a crossroads between North and South, East and West, the Caribbean, and Central, South and North America. Nothing could symbolize more acutely the purpose, geographic breadth and strength of this Organization.

Canadians are becoming increasingly interested and knowledgeable about their southern neighbours. Through the OAS, the Summit of the Americas, NAFTA [North American Free Trade Agreement] and the nascent Free Trade Area of the Americas [FTAA] process, Latin America and the Caribbean are more and more in the Canadian public eye. From a country in the region, not too long ago, we have now become fully a country of the region.

Canada is committed to the principles of hemispheric co-operation and integration. We know, beyond any doubt, that there is strength in unity. We have carried this message in our growing field of contact with you, our hemispheric partners: in the visit to this region by Prime Minister Jean Chrétien last year, in the travels of Canada's Foreign Affairs Minister, Lloyd Axworthy, to Haiti, and Central and South America just last month, and in the recent series of Heads of Government Summits between Canada and the CARICOM and Central American leaders.

As we educate ourselves as a nation about our place in the Americas, Canadians increasingly want to know: What is the Organization of American States? What is its role, where is it going? And, most importantly, what has it achieved?

When we joined the OAS, Canada made a clear commitment to work with our new partners to reform, revitalize and re-establish the OAS as the pre-eminent institution of the Western Hemisphere, and to equip it to meet the many challenges awaiting us in the 21st century.

What has the OAS achieved?

In Canada's estimation, a great deal. In April 1995, Secretary-General César Gaviria issued his "New Vision of the OAS," setting out a vast range of principles and objectives for the revitalization of this Organization, some of them with immediate impact, others reaching much further into the future. However, it has been evident over the last few years that the OAS is already increasingly demonstrating its determination and growing

capacity to take action and assert its leadership in matters of the highest regional and global importance.

A year has now passed since we met in Haiti for the 25th General Assembly. The progress that has been achieved in strengthening democratic institutions and promoting peace and reconciliation in Haiti is a major and unqualified success for the OAS, the United Nations and for the international community at large. Canada is extremely proud of its contribution to peacekeeping and to the creation of a civilian police force in Haiti. At present, Canada is commanding a peacekeeping force of 1900 military personnel, which includes 750 Canadians. We also have 100 Canadian police officers on the ground as part of the UN civilian police force. But the situation in Haiti is still fragile. We have recognized that Haiti will need continued assistance from the international community over the coming months to ensure that the success achieved to date is maintained and consolidated. We will therefore be asking the OAS again to exercise its leadership on this critical matter of regional security by declaring its unequivocal support for a strong UN presence in Haiti beyond June 30 of this year.

Another issue of hemispheric security where the OAS is demonstrating its leadership and resolve is land mines. agreement this week to create a Western Hemisphere Anti-Personnel Land mines Free Zone will be an historic achievement, leaving no doubt that, in this critical area, the member states of the OAS lead the world. The suffering, death, destruction and stifling of development caused by anti-personnel land mines simply cannot be tolerated in an era of peace, friendship and democracy. is no ambiguity to Canada's position on this: Canada wants a global ban on anti-personnel land mines. This was stated loudly and clearly by Canada's ministers of Foreign Affairs and of National Defence when they jointly announced, in Ottawa on January 17, a comprehensive moratorium on the production, export and operational use of land mines. This was echoed in Geneva, by Canada's delegation to the recent Conference on Certain Conventional Weapons, and here, in Panama, at the OAS General Assembly. And, this fall, in New York, Canada will be promoting a resolution at the United Nations General Assembly calling on states to work toward such a global ban. We ask you to join with us in this goal.

To back this commitment, I am pleased to note that Canada announced yesterday our voluntary financial contribution to the OAS, part of which is to support the Central American Mine Clearance program, through the Unit for the Promotion of Democracy. In addition, Canada will host a meeting of states and non-governmental organizations [NGOs], which have declared their support for a global ban on land mines, in Ottawa this September to develop a plan for systematic, co-ordinated international action on this issue.

The OAS has also taken great strides in the field of hemispheric security. The Declaration of Santiago on Confidence- and Security-Building Measures sets out a progressive, clear and concrete agenda for security co-operation among OAS states. We would urge all states to work towards the speedy implementation of these measures. Canada would also like to commend, in particular, the initiative to address the special security concerns of small island states.

The threat posed by drug abuse and the international narcotics trade continues to have serious implications for the security and well-being of our countries, our communities and our children. Here, too, the inter-American community has taken action through its ongoing negotiation of a hemispheric counter-narcotics strategy, to take us into the 21st century. We hope to see this critical document adopted at the next General Assembly. While this in itself is an important achievement, we all know that it will only have a real and lasting impact if we are committed fully to the Strategy's implementation. For this reason, Canada has just taken the step of providing to the Inter-American Drug Abuse Control Commission, CICAD, the services of one of our government's leading anti-drug experts for a two-year period to assist in hemispheric counter-narcotics and demand reduction efforts.

In the last year, this hemisphere has also taken critical steps in the fight against terrorism, money laundering and corruption. The adoption, through a serious, methodical and efficient process, of an Inter-American Convention Against Corruption in Caracas last March has sent a clear message that this scourge, which impedes all other efforts towards development, democracy, equality and justice, will no longer be tolerated. But I would add that it is up to us, the politicians and leaders, to ensure the credibility of this exercise by the example of our own probity and conduct.

By providing a climate of peace, security, transparency and social stability, we know that democracy and economic renewal can thrive.

The inauguration this week of a new Inter-American Council for Integral Development [CIDI] marks one of the most deep-reaching reforms at the OAS to date. It is a major accomplishment — the effects of which may only be reckoned in years to come. After three years of hard work since the introduction of the Managua Protocol, the CIDI is truly a new Partnership for Development, a new concept of how we will work together, as equals, in our common quest for development, stability and prosperity. I would like to take this opportunity to again thank our own Ambassador Brian Dickson and Ambassador Layne of Saint Vincent and the Grenadines for their invaluable work in making CIDI operational. It is important to understand that this system must necessarily

focus the greatest resources on the poorest countries and the weakest individuals in those countries. But this reform reaches beyond the delivery of assistance; it goes to the heart of the OAS' mission itself, by re-defining the dynamic between policy and programming, and re-establishing the essential relationship between development and our decision making on political issues such as human rights, trade, the environment and democracy.

To underline Canada's commitment to CIDI and to the principles of the new Partnership for Development, I am pleased to announce on behalf of Canada's Minister for International Co-operation, the renewal of Canada's contribution to the Voluntary Fund in the amount of \$4 million over two years.

Canada strongly supports the Secretary-General's proposal to devote more resources to the Unit for the Promotion of Democracy [UPD], which will allow the Unit to continue to expand its valuable work in areas of long-term impact, such as democratic institution building, information and education for democracy, thus moving beyond the mainstay of elections monitoring. In this latter area, I can confirm that Canada will continue to contribute to OAS monitoring missions, including for the upcoming elections in Nicaragua.

We have been encouraged by the enthusiastic response of the member states and the UPD to what has become known as the Brazil-Canada Human Rights and Democratic Development Initiative, launched as a follow-up to the Miami Summit Plan of Action. We would like to extend a particular note of thanks to the Government of Brazil for its outstanding leadership and dedication to this project. We look forward to working with all states over the coming year in the specialized Working Group that has been established for the further development of this initiative, including the elaboration of specific projects based on the principles of horizontal co-operation and full partnership.

The Hemisphere has also demonstrated a new resolve to address the issue of sustainable development. Canada commends the efforts of the Government of Bolivia to host a Summit Conference on Sustainable Development in Santa Cruz next December. We strongly believe that sustainable development is the issue of the future. The Santa Cruz meeting will be an important starting point to consider the norms and principles that will guide us into the next century.

Canada has also made its own contribution to this goal. We were pleased to have hosted an OAS Experts' Meeting on Environmentally Sound Technologies for Small and Medium-sized Enterprises in Ottawa last November. Attended by private and public sector experts from across the Americas, this conference sought to address the fundamental dichotomy between the equal but often

incompatible imperatives of free-market economic development and environmental protection.

Canada was also honoured to have the City of Montreal selected last November as the permanent Secretariat to the Convention on Biodiversity. I would like to convey to you Canada's deep gratitude for the support received from the Latin American and Caribbean countries for this bid.

One of the most significant and difficult goals set at the Summit of the Americas was the agreement to create a Free Trade Area of the Americas by the year 2005. We believe it is important to recognize the essential work undertaken by the OAS, largely through the Trade Unit and the Special Committee on Trade, in support of the FTAA process. We would be loath to see this role undercut or diminished. Indeed, in each year that we draw closer to the 2005 deadline, there will be an ever-greater need for an anchor and support-base to these negotiations. At this stage, these OAS bodies are clearly the best equipped to fulfil that role.

Finally, in describing the successes and strengths of the OAS, I would be remiss to overlook the work of the Inter-American Juridical Committee [IAJC] in the development and integration of international and trade law. Over the next year, the OAS will be evaluating the Secretary-General's paper on "Law in a New Inter-American Order." In this and other juridical exercises, including the development of guidelines for the preparation of legal instruments and the consideration of convention projects themselves, the contribution of this impartial and learned commission of jurists will be invaluable. We are particularly proud that a Canadian, Jonathan Fried, was appointed interim Chairman of the IAJC earlier this year. On his behalf, we would ask for the support of all our friends and colleagues at this table for Mr. Fried's re-election to the Committee.

What I have presented to you is by no means a comprehensive inventory of the OAS' work. But in reviewing the accomplishments of this Organization since the last General Assembly, there can be no doubt as to the relevance and growing influence of the OAS. I return to my earlier question. What has the OAS achieved? The evidence speaks for itself. And, for this, the Government of Canada extends its admiration and re-affirms its strong support for the leadership of Secretary-General César Gaviria.

The Government of Canada applauds the safeguarding of democratic rule in Paraguay and re-affirms its support to the legitimate, constitutional government led by President Juan Carlos Wasmosy. We also recognize the decisive role played by Secretary-General Gaviria at that moment of crisis. The message is clear: the Inter-American community does not tolerate parties or individuals seeking to govern by force and is committed to representative

democracy as the only acceptable form of governance in this hemisphere.

Despite these many accomplishments, we cannot be complacent. A great many challenges require our urgent and continued attention.

Although the new political realities of the region have contributed to a significant, overall decline in serious human rights violations, threats to human rights and the rule of law continue to blight the political landscape of this hemisphere.

An equally insidious threat is being posed by the rooting of impunity in the political and judicial systems of the state. Its eradication will require a concerted effort by the highest levels of government and civil society to institute a new culture in political, judicial and social relations, a culture in which the protection of human rights, accountability and transparency are the cornerstones. This fundamental transformation will also call for a concerted response by the human rights and democracy institutions of the OAS and the inter-American system as a whole.

Canada continues to be encouraged by the good works of the Inter-American Commission on Human Rights, including its five on-site visits carried out in the last year, and we congratulate those countries that invited the Commission to their territories. We have also noted with satisfaction its collaboration with the National Commission of Truth and Justice in Haiti. Canada strongly supports proposals to increase funding to the Commission and to the Inter-American Court as indispensable instruments in the protection and promotion of human rights in this hemisphere.

We also congratulate the Commission on its work in the process of drafting an Inter-American Declaration on the Rights of Indigenous Peoples. We now hope the Commission will take the lead role in ensuring the fullest possible consultations with Indigenous groups from across the Americas in the final drafting process.

The level of poverty that persists in many parts of the Hemisphere remains a cause for grave concern, particularly in its indiscriminate and cruel treatment of society's weakest members, especially Indigenous persons, women and children.

My government is particularly concerned by the state of youth and children in the world today. In the six years since the United Nations World Summit on Children and the adoption of the Convention on the Rights of the Child, some victories have been gained, but, on the whole, children too often remain victimized, powerless and without hope.

Drugs, poverty, disease, malnutrition, a lack of education and health care, the effects of land mines, war and terrorism, the

absence of opportunity for self-fulfilment and inability to realize their potential and their dreams or to know security, safety and love: all these things are threatening many of the world's children. By allowing this to continue, we are putting our own future at risk.

Canada applauds the work of the Inter-American Children's Institute to address many of these issues, and we are honoured that a Canadian was selected last year to serve as Vice-President of the Institute's Directing Council.

In summing up the key challenges for the OAS, we must consider the question of the Organization's 35th member, Cuba, which is not present with us today. Canada shares the hope of many that this situation will one day change, and we urge the Organization to consider renewed forms of contact with Cuba, which would bring us closer to the day of Cuba's eventual re-integration into the inter-American family. We would also welcome an invitation by the Cuban government for the Inter-American Commission on Human Rights to undertake an on-site visit in the near future.

Isolationism is not the answer. Canada values its friendship and over 50 years of unbroken relations with Cuba, but this has not stopped us from expressing our concerns on that country's human rights performance. We have been clear in stating that Cuba does not yet share in the growing democratic culture of this hemisphere. We have also condemned the Cuban Air Force's actions in shooting down two civilian aircraft on February 24 because of the inappropriate use of lethal force and contravention of internationally recognized procedures for such incidents. But policies of isolation do not prevent such tragedies; indeed, they only give rise to the hardening of militant policies and reinforce the wrong kind of nationalism and political rigidity.

Canada has also voiced its strong objection to the recent Helms-Burton legislation, enacted by the United States Congress. Passed in the wake of the February shooting incident, we believe that this type of legislative action is fundamentally the wrong response. It violates accepted principles of international law and the United States' own obligations under trade agreements, including the North American Free Trade Agreement, and seeks to drag third parties into a political disagreement between the United States and Cuba. Canada will not accept that any foreign power can determine where our companies can do business. Furthermore, this legislation has created unfortunate and completely unnecessary tensions among good neighbours and long-standing partners.

Since the Miami Summit and in the context of the OAS' own revitalization efforts, we have experienced a virtual explosion of the inter-American agenda. While this is for the best of reasons and has marked an unprecedented level of co-operation

among the American states, it has verged, at times, on the unmanageable. If difficult for Canada, we can only imagine that for smaller states to participate effectively is nearly impossible. It is not a question of issues or of the commitment to co-operation, but one of management.

Canada believes that the Organization and its affiliate bodies could do more to reach out and profit from the tremendous energy and expertise of non-governmental and private sector stakeholders. Their input can only strengthen the Organization and its ability to respond and take decisions on the key issues of today and tomorrow.

Looking at the OAS as an institution, Canada is deeply concerned at the financial situation in which the Organization now finds itself, with approximately \$30 million owing in old arrears on regular fund payments. Membership has its privileges, but it also has its price. In a zero budget-growth environment this matter is all the more critical. We would like to take this opportunity to call on the OAS to examine means that would avert a similar situation in coming years, including a study of measures employed by PAHO [Pan American Health Organization], the United Nations and other international organizations to encourage dues payment by recalcitrant members.

Canada believes in the potential of the OAS as a vibrant and effective political institution, and we are seeing much of that potential realized. Have we reached all our goals yet? No, by no means. But the OAS is a different Organization than that which we joined six years ago, and a far better one. Through our collaborative efforts, the OAS has and continues to make steady, tangible progress towards its reform objectives and to gain its voice as a potent and respected actor in world affairs.

This leaves us with no doubt that when, with your support, Canada hosts the 30th OAS General Assembly in the year 2000, at the outset of the new millennium, the new vision will be a reality.

Thank you, Mr. Chairman.



96/28

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY

THE HONOURABLE RAYMOND CHAN,

SECRETARY OF STATE (ASIA-PACIFIC),

BEFORE THE HOUSE OF COMMONS

ON THE ANNIVERSARY OF

EVENTS IN TIANANMEN SQUARE



OTTAWA, Ontario June 4, 1996







Mr. Speaker,

I rise today on the occasion of the seventh anniversary of the tragic events of 1989 in Tiananmen Square to present to the House an update of our government's continuing efforts to engage Chinese leaders on the issue of human rights.

Our long-term relations with China are based on four interlocking pillars: economic partnership, peace and security, sustainable development, and human rights, good governance and the rule of law.

With regard to economic partnership, systematic and wide-ranging contact leads to calls for greater openness and freedom.

Trade reduces isolationism. Trade also expands the scope of international law and generates the growth required to sustain social change and development. A society that depends little on trade and international investment is not open to the inflow of ideas and values. My recent meetings with regional leaders in China revealed a sensitivity to the need for rule of law and a clear, fair and transparent legal and regulatory framework. While there was a recognition that China had a long way to go, there was also serious intent.

Respect for human rights and the rule of law in China is an essential Canadian objective. On the bilateral front Canada is developing a constructive dialogue on human rights issues (recently, bilateral dialogue at the official level was held in Beijing) and is assisting China in reforming its legal and judicial structures.

Multilaterally, we have expressed concern about violations of human rights and fundamental freedoms in China. Canada uses every opportunity to discuss our concerns with the Chinese government.

Good governance and the rule of law were major themes of the recent visit to Canada by the Chairman of the Standing Committee of the National People's Congress, Qiao Shi. Mr. Qiao and his delegation met many of the people embodying the rule of law in Canada and held in-depth discussions with them. The Chinese delegation was quite interested in the workings of the Canadian parliamentary and legal systems, and it is our hope that we can build on this to assist China in creating an environment that is more respectful to the rule of law.

Mr. Speaker, my recent trade mission to China was an excellent example of our government's approach to that country. While I helped Canadian firms meet face to face with key decision makers in booming regional markets, I also used the trip to raise human rights issues with Chinese officials in Beijing.

For the first time we received assurances from Chinese officials that the 100 000 Canadians in Hong Kong can remain permanent residents there after 1997. I also told Chinese officials that China's plans to install a temporary legislative council is damaging the confidence of both the Hong Kong people and the international community. In meetings with Foreign Minister Qian Qichen, I pressed the issue of human rights and the treatment of dissidents in China. I also met with the sister of imprisoned dissident Wei Jing Shang to discuss his case when she visited Canada.

Mr. Speaker, as I pointed out to the Chinese authorities on my recent trip, I agree that there have been significant human rights improvements in the everyday lives of ordinary Chinese people since 1989. Individuals now have a greater freedom of mobility within China, food rationing has disappeared, and people can seek their own employment. However, this does not excuse the fact that human rights leaders and pro-democracy activists continue to receive swift and harsh punishment.

Let me point out today, Mr. Speaker, that I disagree with those who argue that Western-stye democracy is not appropriate in Asia because it is alien to "Asian values" such as Confucianism. The ruling class always elaborates this in its own self-interest. They manipulate Confucianism to support their own cause. As far as I am concerned, democracy and freedom of thought are well entrenched in Confucian thought.

In closing, Mr. Speaker, we will continue to point out to the Chinese government, through both bilateral and multilateral channels, that they still do not meet the basic requirements necessary to protect human rights.

At the same time we will continue assisting the Chinese in specific areas such as trade and regional security, and through bilateral projects to help create an environment in China that, in the end, respects basic human rights.

Thank you.



96/29

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY THE HONOURABLE ART EGGLETON, MINISTER FOR INTERNATIONAL TRADE, TO THE ANNUAL CONVENTION OF THE FEDERATION OF CANADIAN MUNICIPALITIES



CALGARY, Alberta June 3, 1996



of Canada

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It is so good to be with you again. I was a little worried when I was moved from Infrastructure and Treasury Board to International Trade that I might not get an invitation to this year's convention. So I am delighted to be here, and I am also glad that the Prime Minister was able to join you this year.

Coming to these meetings is always like coming home for me. It's great to look out on so many familiar faces.

Well, in the year since we last met, much has changed — as I mentioned, I have a new job, with new challenges — we have new premiers in Ontario, Quebec, British Columbia and Newfoundland — and Patrick Roy is now playing goal for the Colorado Avalanche.

Some of those changes have been for the better. I'll leave it you to decide which ones!

And other things, good things, have continued on: the infrastructure program continues to create jobs (100 000 and counting) as well as spin-off opportunities for Canadian companies and entrepreneurs.

Our overall economic health keeps getting better, while the deficit keeps getting smaller.

More Canadians are working and planning a better future for themselves and for their families.

And there is a growing sense of confidence in ourselves.

At least part of that new-found confidence, I believe, has to do with how Canadians see themselves in the world, and the success they are realizing as they take on that world and win.

In my new portfolio as Minister for International Trade, I have the opportunity to see first-hand the energy, the tenacity and the devotion that Canadians are bringing to the challenges of globalization.

You know, my predecessor, Roy MacLaren, was fond of saying that the greatest transformation in recent years has not been in our economy, but in our collective mind set. What he meant was that we have become increasingly outward-looking in our approach to economics and that we have recognized that our future prosperity lies in opening up Canada to the world.

In short, we have realized that there is far more to be gained from globalization than there is to fear from it.

This was not always the case. From Confederation right through to the 1980s, much of our political and economic energy was devoted to building walls against global forces, especially from the south.

But with the signing of the Free Trade Agreement in 1988, Canada's focus has shifted, and shifted dramatically.

So we embraced freer trade, not only with the United States, but with the globe. And as we did so, we established ourselves as a trading power in the world. Per capita, Canada now exports three times as much as the Americans and twice as much as the Japanese.

Indeed, the success of our fellow Canadians in capturing new markets has been nothing short of astounding. Last year, they produced a trade surplus of over \$28 billion - smashing the previous record of about \$20 billion set in 1984.

Exports now represent 37 per cent of our GDP [gross domestic product], and one in three jobs in this country now depends on exports. Think of it — one in three jobs depends upon exports! And as the FCM [Federation of Canadian Municipalities] knows better than most, all jobs are local. Our national economy evolves from the local level. And behind the big national numbers are individual Canadians who live and pay taxes in one of your communities.

But just as important as the volume of our exports is the kind of trade we are doing. We are no longer only exporting raw materials for other countries to refine and sell back to us at higher prices. More and more, we are exporting value-added goods, more and more services/expertise, and that is good news for the long-term economic health of our country.

Of course, with all of this change in outlook and approach, new challenges have presented themselves. I would like to mention just three today. As we embark on the new millennium, these are things that we simply have to get right if we are both to sustain our present growth and position ourselves for the new opportunities of tomorrow.

First, we must manage our trading relationship with our largest customer, the United States. Despite the increasing diversification of our international markets, 82 per cent of our exports still go to the U.S.

In fact, we are each other's largest customers and biggest suppliers. Ontario alone buys more from the United States than does Japan.

Two-way trade between Canada and the United States amounts to \$2 billion per day.

While there are a few areas of dispute with the Americans, these must be kept in perspective, and the fact remains that 95 per cent of our trade occurs without problems. Our relationship with the United States remains a mutually beneficial one.

Another important challenge facing us is to strengthen the rulesbased system of trade. It is imperative to mark out the rules of the game so that everyone knows what they are.

Rules mean stability and predictability, and they generate confidence for our business people. Fair rules and obligations attract others to join the game. We can see this happening now with the benefits of participation in the World Trade Organization bringing in new members all the time.

So we're working to establish clear rules and expectations. We have also tried to establish the access to foreign markets that Canadian companies need. But access is only half the battle.

Canadian companies must be made aware of the opportunities available to them — and not only those available with the U.S., but via Asia Pacific, Europe (Action Plan) and the Free Trade Area of the Americas [FTAA]. They must be supported in their efforts to crack these new markets. And the benefits of investing in Canada must be communicated to international investors.

So these components make up the third and final priority: international business development. And it is really this priority that I want to focus on today.

Why this emphasis on investment business development? Because trade and investment bring jobs and growth.

Our future is tied to freer trade, and if we are to continue to provide high-quality jobs to Canadians, we must continue to look outward: to take on the world.

In order to capitalize on the opportunities presented by freer trade, we have set ourselves the ambitious goal of doubling the number of Canadian companies exporting by the year 2000.

Ambitious as this goal may seem, consider the potential still untapped: right now, only 100 companies account for half of all of our exports. And some 5 000 companies make up the rest.

The fact is there are thousands of Canadian companies that are ready to export but need more encouragement, more market intelligence or information. I don't know which companies these are — but you do. They're in your communities, they're in your chambers of commerce and they're on the brink of explosive growth.

You know, one of the reasons the Team Canada trade missions were so successful is that the 400-odd companies involved had identified their interests in target markets. They had done all

their homework and shared their strategies and goals with both the federal and provincial governments.

To their efforts could be added the value of opened doors and introductions, but much of the nitty gritty work had been done by the companies themselves.

There seems to be an impression out there that Team Canada is just about trips abroad. In fact, it's about hard work right here at home. It's about connecting emerging companies with the information they need about the markets they seek.

With your help, we are establishing federal, provincial and municipal regional trade networks to improve service to businesses. Once you help us identify potential exporters in your area, we will work through these trade networks to ensure that those companies learn of solid leads — as identified by Canadian posts around the globe — so that they can act on those leads in an informed and effective manner. This will mean jobs for your communities, jobs for Canadians and more jobs for the future.

Canada Business Service Centres, one-stop shopping, have also been established in every province. The companies in your area are only a 1-800 number away from the expertise and advice they seek.

I might also add that we have established Canada's International Business Strategy, which is available nationwide via the Internet, to guide our resources to those places where they can have the greatest effect.

One of the great advantages that we as a government can offer Canadian industry is access to our network of embassies, high commissions and consulates abroad.

In 125 cities around the globe, trade commissioners are searching out opportunities for Canadian businesses, working with local decision makers and advising Canadian firms on strategies and tactics for success.

But that network is of little value if there remains a gap between it and the companies it can serve.

You can help us to fill that gap. You can help us make Team Canada work every day — not just in Beijing or Bombay, but in Burnaby and Brampton and Bromont.

The wonderful partnership that we formed to make the infrastructure program such a resounding success must now serve as the foundation for a new partnership: a partnership between

the municipalities, the federal and provincial governments and the private sector, to promote trade and create jobs.

We must all work together as partners — not just enthusiastic spectators on the sideline.

So I want you to be a part of the team that is selling Canadian products, services and investment opportunities to the world.

I am here today to invite you to join Team Canada. I am here today to ask for your help on two fronts: to bring more business to Canada and to take Canada to the world.

Toward those goals, each of us has a role to play. Governments can try to offer an investment climate second to none. We are doing this through measures such as deficit reduction, reducing regulatory burdens, breaking down barriers to interprovincial trade and clearing blockages that restrict the flow of business and business people.

Through our embassies and missions abroad, we can market the advantages of Canada, but we need you and those in your communities to help close the deals.

So you have a role to play too: by investing in your communities to enhance their attractiveness to business and improve the quality of life for everyone. You can help by being prepared to answer investors' questions, to provide detailed data, and to make commitments with respect to local support. No one knows the attributes and advantages of your communities better than you do.

You can also be ready with specific sites, services and suppliers. And you can have all of this information available at virtually a moment's notice. The 24-hour turnaround time investors have come to expect does not permit a "wait and see" approach. It is the aggressive and responsive communities and states to the south that are attracting new business investment and creating jobs for their citizens.

You can also contribute by city-to-city relations, sister cities, twinning and friendship agreements.

So this must be a true partnership, and I look forward to working closely with your Standing Committee on Economic Development so that we present not only a united front but a compelling one as well.

Now, I know that to some it may seem strange that a Minister for International Trade would talk to municipalities about trade issues. But as I said, who understands better than you that all business is local?

Whether companies are mom and pop shops or multinational conglomerates, they all set up in communities just like yours.

Men and women get up and go to work from your neighbourhoods. They pay local taxes and their children attend local schools. They shop in your stores and volunteer in local service clubs.

So when we talk about things like international investment, let's not lose sight of the fact that we're really talking about direct investment in your communities.

And Canada needs more of it. More than 1 job in 10 and more than half of our exports are directly related to international investment — foreign direct investment. This investment brings technology-rich jobs to Canada and increases Canadian subsidiaries' capacity to compete in global markets.

But we also know that this kind of investment doesn't fall into our laps; that we need to be aggressive in going after it and in marketing Canada to the world.

The second half of the equation, taking Canada to the world, means encouraging more Canadian companies to begin exporting. That's where our target of doubling the number of companies exporting comes in.

Of course, when we talk about increasing our exports, or doubling the number of companies exporting, we're really talking about creating jobs here at home, by Canadians, for Canadians.

That is why the FCM has such a vital role to play. That is why I want the FCM and member municipalities on board.

Today, new challenges test our resolve and our resourcefulness. But I am confident that if we build on successful initiatives such as Team Canada and the Infrastructure Program, these challenges will become just so many new opportunities for Canadians to build a better tomorrow for our children and for our communities.

Thank you.



CAI STATEMENT

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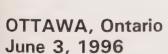
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THE HONOURABLE RAYMOND CHAN,

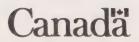
SECRETARY OF STATE (ASIA-PACIFIC),

AT THE CANADA CHINA BUSINESS COUNCIL'S

OPPORTUNITIES IN THE YANGTZE DELTA REGION SEMINAR









CCBC [Canada China Business Council] members, ladies and gentlemen:

In 1993 our government was elected on a jobs and growth agenda. One of the key goals of that agenda is to dramatically increase Canada's trade activity in the rapidly expanding Asia Pacific region

As you know, the Prime Minister himself travelled to China in 1994 with a Team Canada trade mission to promote Canadian expertise and to demonstrate that Canada intends to be a major player in China for many years to come. During the trip, Prime Minister Chrétien set a concrete target for us to work toward: 20 billion in two-way trade by the year 2000.

When this challenge was set in 1994, two-way trade had reached \$6 billion. In 1995, two-way trade grew to \$8 billion, an increase of 33 per cent. If we break this figure down, we see that Canadian imports from China grew by 20 per cent to a record \$4.6 billion, while Canadian exports to China surged ahead by almost 50 per cent to \$3.39 billion — also a record.

We still have a long way to go in five years. But I am optimistic that we will meet our target. Our trade continues to diversify every year. For instance, value-added goods now represent almost 45 per cent of total Canadian sales to China — a figure that has doubled since 1993. Well over 100 Canadian companies have established a permanent presence in China, and the number of new offices grows constantly.

Moreover, we are no longer trading goods simply at arm's length. We are investing and transferring technology to joint venture enterprises in China. And we are establishing a web of business linkages between our countries that stimulate further trade and more new investment.

As we found during the Team Canada trip in 1994, and on my most recent trade mission last month, Canadian areas of expertise match up perfectly with sectors that the Chinese are trying to build up, such as energy, telecommunications, financial services, natural resources, agri-food and environmental protection. As reforms in China permit further foreign participation, and with tariff reductions last April, prospects for greater trade and investment between our countries will continue to improve.

China, like Europe and the United States, is actually made up of many regional markets. The fact that we have gathered here today speaks volumes about the progress we have made in responding to this fact. We know that now more than ever our China business strategies must reflect this reality.

To sustain this momentum, my recent trip targeted more specifically some of the fastest growing regional markets in China. It was an exciting opportunity to promote Canadian

expertise and cultivate partnerships among the business and government leaders who are guiding development in these booming markets.

Central governments are still prominent in Asian economies, but not to the extent they once were. More and more decisions are decentralized towards local authorities. Today in China, projects valued at \$30 million or less do not need central government approval and, therefore, developing contacts with regional leaders gives Canadian firms an important competitive edge. Canada has to focus on our ability to identify and cultivate these new decision makers.

That is why last month I led more than 40 Canadian companies on the first Canadian trade mission to focus on China's emerging regional markets. While we visited the traditional centres of Shanghai and Beijing, we also travelled to Dalian, Jinan, Fuzhou and Shenzhen. These vibrant cities are key to China's rapidly developing regions in the north and south. What we heard was encouraging. And what we came away with was a greater appreciation of these regions' priorities.

Economic growth rates are surpassing the national average. Per capita income is advancing by about 10 per cent a year. Ambitious modernization projects in real estate, transportation and the environment are under way or in various planning stages. The overwhelming message was that "we need you and we want you." What became increasingly evident as the visit progressed was that if we are not there, we will exclude ourselves from important opportunities.

While there are many Canadian businesses active in the region, we have to do more. It is imperative that we target more of our efforts outside of Beijing and Shanghai if we want to realize our potential in the China market. My recent visit was an expression of our government's commitment to increasingly direct our business development efforts in China's emerging regions and subregions, such as the Yangtze Delta.

Our Embassy in Beijing, Consulate General in Shanghai and Consulate in Guangzhou have placed a priority on gathering market intelligence on fast-moving developments in China's regional markets.

I am also pleased to inform you that an additional Canadian Trade Commissioner will be stationed in Beijing as of this summer. This will help Canadian companies pursue the growing number of projects financed by the World Bank and the Asian Development Bank in China's regional markets.

We will also increasingly direct our high-level visits into China's regions and sub-regions. My colleague Anne McLellan,

Minister of Natural Resources, has also just completed a visit to China, which took her to Harbin in China's northeast.

Our government remains firmly behind your efforts to expand Canadian involvement in China, strengthening our economic partnership. However, we also know that trade and investment will only flourish in a profitable environment where the rules are clear, fair and transparent.

A recent study of Canadian business investment intentions in China by the Conference Board suggests that Canadian investors in China still encounter many obstacles, including bureaucratic barriers, an inadequate legal system and currency controls.

That is why we continue to support China's early accession to the World Trade Organization and we will continue to work closely with China to realize the APEC commitment of regional free trade by the year 2020. We also continue to discuss a Foreign Investment Protection Agreement with China and hope that a final agreement can be reached in the coming months.

We are equally committed to working with China on other levels. Our development co-operation programs with China help strengthen our bilateral relationship and foster more partnerships between Canadian and Chinese businesses. These programs also help encourage sustainable development and promote Canadian objectives of good governance and the rule of law.

My government has never believed that our international relationships can be reduced or simplified to a trade vs. human rights argument. Systematic and wide-ranging contact leads to calls for greater openness and freedom.

Trade reduces isolationism. Trade also expands the scope of international law and generates the growth required to sustain social change and development. A society that depends little on trade and international investment is not open to the inflow of ideas and values.

During my recent visit, I found China's leaders receptive to our ideas. They are conscious of what we expect. My meetings with regional leaders also revealed a sensitivity to the need for rule of law and a clear, fair and transparent legal and regulatory framework. While there was a recognition that China had a long way to go, there was also serious intent.

I should also point out that I emphasized in both Beijing and Hong Kong Canada's support for a smooth transition in 1997 and I expressed our government's views on a number of issue relating to the transition. For the first time, I received assurances from Chinese officials that the 100 000 Canadians in Hong Kong can remain permanent residents there after 1997. As you may know,

dual citizenship will not be allowed. Those who select Canadian citizenship will continue to receive consular assistance in Hong Kong. However, as I told Chinese officials, China's plans to install a temporary legislative council is damaging the confidence of both the Hong Kong people and the international community.

Let me assure you, our government will continue raising these issues with the Chinese government and I have discussed this issue with the Minister of Foreign Affairs, Lloyd Axworthy. We will try to get an agreement in writing that secures the ability of Canadians to live, work and do business in Hong Kong after July 1, 1997.

I am eagerly looking forward to my next visit to China in the near future to help Canadian firms position themselves in the central and western regions of China.

Only by gaining a greater appreciation of priorities in these regional markets will Canadians be able to participate more fully in China's development. I encourage you to consider joining this mission. Please contact my office and we will be sure to let you know once plans become more finalized. As you know, by capitalizing on these opportunities in China we can create good jobs for Canadians right here at home.

In closing, I'd like to congratulate the Canada China Business Council, the Conference Board of Canada and Chreod Ltd. for organizing these seminars. I am confident they will help position Canadian companies to respond to the growing opportunities in the Yangtze Delta.

Thank you.



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THE HONOURABLE LLOYD AXWORTHY,

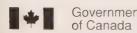
MINISTER OF FOREIGN AFFAIRS,

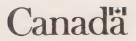
BEFORE THE HOUSE OF COMMONS

ON THE OCCASION OF THE TABLING OF

THE ANNUAL REPORT ON MILITARY EXPORTS

OTTAWA, Ontario June 18, 1996







Mr. Speaker:

In 1992, I was a member of the Standing Committee on External Affairs and Trade that issued a report on ways to improve Canada's controls on the export of military goods and on ways to diversify our defence industries and promote greater conversion towards civilian production.

It was a good report, and my colleagues on that committee worked hard to come up with realistic recommendations that would help move government policy forward in imaginative ways. As Minister of Foreign Affairs today, I can say that a number of those recommendations are now being implemented. Not all of them, in part because international circumstances have changed; in part, because there are limits in this area to what any one country can do on its own.

But I cite the work of the Standing Committee to underline a crucial point: this House has a real and irreplaceable role to play in the formulation of our foreign policy. Parliament is able to consult with Canadians and draw together diverse views in a way that no other national institution can. It has an honourable tradition of raising public involvement and consciousness on leading issues, and has demonstrated an acute sense of how to promote — even provoke — new ideas without abandoning the pragmatic core that has long distinguished our foreign policy.

I want to turn to Parliament once again, to present to Parliament on the occasion of the tabling of the annual report on military exports some of the recent accomplishments and current initiatives in our security policy that call out for wider consideration of where we go next.

First, I want to describe the international context in which we operate, and give some sense of what we are doing in the security field. Canada is active in the world. We have set objectives for ourselves that we are meeting through specific initiatives.

Canada has long put international security at the centre of our foreign policy. In the years immediately following the Second World War, Canada's General MacNaughton led the movement to place atomic power under multilateral control, to ensure that atoms would be used for peace rather than war. In the 1960's, Tommy Burns was an inspiring force behind the drive to establish the international machinery for arms control and disarmament negotiations. In the late 1970's and early 1980's, Pierre Trudeau led the call for nuclear sanity, including his proposal for a "strategy of suffocation" to halt the risks of nuclear proliferation.

In recent years, however, the focus has been changing, and changing in ways that enables Canada to play to our unique national traditions, strengths and aspirations.

With the end of the Cold War, the prospects for inter-state conflict are diminishing rapidly. Instead, we are more concerned about conflict within states, which wreak havoc on domestic populations and, occasionally, threaten to spill over into neighbouring countries.

If internal conflict does erupt — as we have seen in Cambodia, Bosnia, Rwanda, Haiti, and elsewhere — it can prove even more vicious and murderous than war between states, and can have enormous destabilizing effects on global security.

When internal conflict finally does end, we still face enormous challenges of building the peace. A ceasefire between states is much easier to monitor and enforce than a cessation of hostilities within states. There is no clear border to separate belligerents, no clear differences between populations that make it easier to keep them apart until passions cool.

We must also deal with new emerging security threats such as crimes and narco-trafficking, with environmental degradation and displaced populations, with hate mongering and mass involuntary migration. The recent round of UN conferences on Habitat, Social Development, Women Rights, etc., demonstrate that security of the individual is now a key element of our international undertakings.

New instruments are being developed, requiring new forms of international cooperation. Last year, for example, Canada chaired a meeting of G-7 Ministers to improve our efforts to combat terrorism. Our police forces are working more and more closely with their counterparts throughout the world to address the serious problem of ruthless criminal organizations that have the money and the power to challenge the very structures of legitimate authority. A body of international law is developing on environmental questions, and our aid programs are becoming much more sensitive to their impact on local environments.

Similarly, we know that democracy, responsible governance and respect for human rights are fundamental building blocks of durable stability and security. But our support for these principles should not take the form of hectoring from the sidelines. Therefore, we are in the business of working with countries — with their governments, their non-governmental organisations, their citizens — to build civil institutions that promote human rights and democracy. The Dayton Accords reflect this approach. Canada played an active role in supporting the human rights elements of these accords and is strongly committed to continue providing resources to this end. The only durable peace in the region must incorporate the highest standard of respect for human rights.

Prevention of conflict is always the preferred option, but sometimes there is no stopping the slide into war. What do we do then? Peacekeeping has been a major achievement of the last 40 years, but in more and more cases the traditional forms of peacekeeping don't apply. International military units have been used in recent years to help deliver humanitarian aid in the middle of war. They are being used to enforce the peace, as NATO is doing in Bosnia. Or to provide a shield behind which the international community can help rebuild shattered societies, as in Cambodia and Haiti.

Canada is responding then to new forms of conflict in new and, we hope, more effective ways. For example, we believe that early and rapid deployment of well-trained UN forces can help smother emerging conflict before it flames out of control. We have established a training centre for peacekeepers at Cornwallis in Nova Scotia. Our soldiers are training their counterparts in Asia, Latin America, Eastern Europe and elsewhere in the techniques of peacekeeping and we have seen in the last few years that these new peacekeepers are increasingly making a difference.

We also prepared a major study, involving experts from Canada and around the world, on how to improve the UN's capacity to get peacekeepers into the field much more rapidly in response to crisis. We have a series of practical, affordable recommendations which we are promoting with other countries at the UN.

A third focus is peacebuilding. We have learned that it is not enough to simply stop the war. We must also build the peace. Canada is doing just that in Haiti. There, we are working with the Government to build political and civil institutions that can address the needs of the Haitian people. Police from the RCMP and the Surété de Québec are training up a new Haitian police force that, for the first time in Haiti's history, may serve the people rather than oppress them.

We know that hate messages can poison a population, and make peace impossible. Therefore, Canada recently launched an initiative in Europe to promote free, democratic media as a counter to the kinds of distortions that helped trigger the war in the former Yugoslavia; there are now discussions about whether we can provide training and equipment to help Bosnia establish a television broadcasting system. We are beginning to look at the broad issue of how the new information technologies and our high level of skills in broadcasting can become an effective tool of our foreign policy.

Also in Bosnia, the critically important elections scheduled for later this year are being organized by a team led by John Reid, another initiative of the last few months.

New areas are opening up where Canada can make a real difference because of what we are. New Areas where Canadians inside Government and out are making a real difference because of who we are. Greater concentration on the sources of insecurity within countries and between countries is overdue. Greater skill and new techniques are needed to bring conflict to an end. New approaches to building the peace are testing our imagination and resolve. Canadians are at the head of the class in putting these issues onto the agenda, and seeing them through to real changes in international policies and practices.

These three strands of conflict prevention, rapid response and reconstruction/peace-building are distinct, but they do support and reinforce each other. A key challenge is to draw them together into an effective, coherent, overall approach to conflict. Not just in theory, but in practice. Our resources are finite, and choices have to be made about what we can do best, and what we should leave to others to do. This will require a high level of integration and coordination between departments in the international portfolios. This is an area where the views of Parliament would be most welcome.

Even as we make these changes, we are still faced with world arms production still standing at almost \$200 billion per year.

Granted, there has been progress in recent years in reducing nuclear weapons through the START process. The steep cuts in the nuclear arsenals of the United States and Russia have been dramatic. But we now face the prospect of growing nuclear (and in most cases chemical and biological) capacity in other states, particularly the so-called rogue nations which recognize no international norms and rules. This represents a serious threat to our stability.

For this reason, the extension of the Nuclear Non-Proliferation Treaty was crucial. The indefinite extension of the NPT was seen as virtually unachievable a few years ago, yet with determined effort and East-West as well as North-South cooperation, we made it happen. At the extension conference last year, Canada played a central role in drafting a "Declaration of Principles and Objectives" and a "Declaration on Enhanced Reviews" that broke the logjam and made success possible. The latter is of great significance because it pledges all signatories to review every five years the issues covered by the NPT. Those meetings will provide the best opportunity to advance the nuclear weapons agenda. Preparations for each meeting will take several years, and that is the time to get our ideas into play. It is not too early to begin considering Canada's objectives for the meeting in the year 2000.

We need new approaches to those regions where proliferation risks are the highest. Remember the great anxiety about the future of

nuclear weapons in the Ukraine. After some initial hesitation, the Ukraine Government realized that nuclear weapons were an obstacle rather than an entry card into the wider community of nations. Today, Ukraine is free of nuclear weapons. Not coincidentally, it is also the beneficiary of considerable financial, technical and political support from the West. This year, under Canadian Chairmanship, the G-7 concluded an agreement with Ukraine to shut down the Chernobyl Reactor and improve nuclear safety and access to energy for the entire country. Are there analogous steps that can be taken in other dangerous regions that are sensitive to local preoccupations and yet still support the broader non-proliferation system?

We have to consolidate the gains of recent years in reducing nuclear weapons. One major problem is what to do with the nuclear-weapons grade plutonium that is accumulating from the destruction of existing weapons in the United States and Russia? At the Nuclear Summit in Moscow this spring, Prime Minister Chrétien announced that Canada is prepared to consider converting some of this material for nuclear power generation in Canada. Our offer is contingent, of course, on whether the program can meet strict security and environmental standards. But if we can go ahead, the program would substantially reduce the stockpile of weapons-grade material that could find its way to countries bent on an illicit nuclear weapons program.

Equally important for attaining security against non-proliferation is the need to sign a Comprehensive Test Ban Treaty by this fall. This is necessary to make non-proliferation work, and is seen as a matter of good faith by developing countries. The Canadian role has been important, both in pushing for the treaty at the Geneva Negotiations, and in providing the scientific work needed to make verification possible.

Weapons of mass destruction raise the most serious questions about the future of our planet. But we must never forget that conventional weapons are the ones that did and still do the killing in the conflicts that have raged over the last fifty years. To limit them is even more complex than in the nuclear, chemical and biological fields. In this area, the end of the Cold War may only have made matters worse. There is an excess of supply: weapons, made redundant by the end of East-West competition may find their way cheaply into the Third World. There is heightened demand for high-tech weapons: countries that once looked to one or the other Superpower for protection now feel obliged to provide the means to defend themselves.

There has been some modest progress, but the emphasis is on "modest". The UN Register of Conventional Weapons is a useful tool. However, there are loopholes and real problems of voluntary compliance. We are working to improve it, but progress will be slow.

More optimistically, there are promising signs of the emergence of new world cooperation and coordination regarding the control of conventional arms and related dual-use exports. For decades, a NATO-led organization called COCOM established tough barriers to cover the flow of arms and advanced technologies from the West to the East. But the Cold War is over, and the Russian Federation and former Warsaw Pact members in Eastern Europe are now just as concerned about the destabilizing weapons programs of roque states as we are. Last December, Canada, its former COCOM partners, as well as its former Warsaw Pact adversaries joined forces to announce a new regime - The Wassenaar Arrangement - to promote greater transparency and responsibility in global arms and dual-use trade. This new vehicle provides an avenue to choke off supplies to states that might ignite the next Persian Gulflike War. Other new members are coming from developing and emerging countries in Asia, Africa and Latin America, a sure sign that old barriers are being broken down as nations join together with a common purpose. Canada has played a leading role in bringing about this agreement.

Canada is also leading international efforts that could result in a global ban on anti-personnel mines. Justified as legitimate weapons of war, we have seen in recent years how these terrible devices have become instruments of terror against civilians.

On January 17, we announced a moratorium on the production, export and operational use (except for training purposes) on anti-personnel mines. That provided a dramatic push to international efforts. Starting from a mere handful of hopeful countries only last year, we have succeeded in building a large network of countries thinking along the same lines as Canada. Along with Canada, 35 countries, including the U.S.A., Germany and South Africa have now declared their commitment to work for a total ban. Last month, during his visit to Ottawa, Foreign Minister Kinkel of Germany agreed to work closely with Canada on winning international support for a ban as did Mexican Foreign Minister Gurria. We have the commitment of the Central American Presidents who visited Ottawa last month to help us get the support of OAS member-states for a resolution banning mines in the Western Hemisphere. In NATO, in ASEAN and in consultation with our G-7 Partners and Russia, we are working hard to broaden support.

This coming fall, we will break new ground by hosting an international strategy session in Canada to reinforce work on securing a ban. And we are now mobilizing support for a UN resolution at the General Assembly. We are pleased with the support of Governments, but we especially welcome the wholehearted support from the NGO community around the world, many of which have first-hand experience in treating the appalling legacy of anti-personnel mines.

We accept that countries have the right to self-defence, to maintain militaries, and to arm those militaries in a manner consistent with their legitimate defence needs. Aside from the so-called "rogue" states that have removed themselves from all reasonable international standards of behaviour, there are still others whose weapons procurement appears to go well beyond the limits of actual need. The question is what is "legitimate" and what levels of power, sophistication and expense are warranted to meet those legitimate requirements.

This is particularly worrying in developing countries that divert scarce resources from economic development towards military build-up. Do aid flows free up money so that governments can spend their domestically-generated funds on weapons? Or, if aid funds are held back, would those governments spend their money on weapons anyway, depriving their citizens of even the limited relief that outside assistance can provide?

The relation between aid policy and military in recipient countries is now a matter of priority. Canada has taken a leading role internationally in garnering support for further study and concrete action. Canada raises this issue consistently in international forums such as the world bank and the IMF and has formed a group of like-minded countries who meet regularly to define innovative ways to target development cooperation efforts in this regard. And, at the G-7 summit in Halifax last year, G-7 Ministers adopted Canada's proposal to urge multilateral development banks to take account of military spending when extending assistance. Recently, we have proposed that the OECD conduct a series of case studies on this subject. These studies will be used as a centrepiece for an International OECD Symposium that canada will host this winter. Based on our March consultations with experts and non-governmental organizations, we have prepared a strategy paper that I am pleased to table today in Parliament, and would welcome the views of interested Members.

To reinforce our commitment on conventional arms control, we need to look continuously at our record. Export controls are the most important tool in limiting military exports, and most responsible countries have them in one form or another.

Canada's controls are among the toughest in the world, but I intend to tighten them further to ensure, as far as possible, that our exports do not end up in the wrong hands or end up being used for unacceptable purposes. I have instructed my officials to:

 carry out more rigorous analyses of the regional, international and internal security situations in destination countries to forestall the possible destabilising effects of proposed sales;

 apply a stricter interpretation of human rights criteria, including increasing our requirements for end-user certificates and other end-use assurances, to further minimise the risk that Canadian military equipment might be used against civilians; and exercise the strictest controls over the export of firearms and other potentially lethal equipment to satisfy me that gun control laws and practices in recipient countries are adequate to ensure that Canadian firearms do not find their way into the illicit arms trade nor fuel local violence.

Today, I have tabled the sixth Annual Report on Canada's Military Exports. I am pleased to report that military exports decreased 12% in 1995, and remained low as far as lower income developing countries are concerned.

I want to make Canada an even more responsible player in the global military goods market, and continue to play a leadership role in the multilateral Wassenaar Arrangement. And, again, I would invite Parliament to take an active interest in defining this role.

I have talked today about the ways our foreign policy is being refashioned around new security policy principles and objectives. I am confident we are on the right track, but I want to make sure we continue to move ahead, to look to the future by building on the solid foundations of our past.

I mentioned earlier the work of Generals MacNaughton and Burns, of former Prime Minister Trudeau to bring some sanity to the world, to reverse the rush towards greater and more destructive weapons. At the time, many mocked their efforts as idealistic dreams or worse. Today, their ideas are a commonplace, the starting point for current discussions.

We should never underestimate the power of ideas, nor lack the courage to think boldly. I would welcome discussions with the Standing Committee on Foreign Affairs and International Trade and other interested Members on specific ways that Parliament can become more directly engaged in security policy formulation, perhaps through the Standing Committee or even a Special Committee of Parliament.

The work of Parliament, the contributions from concerned Canadians are part of a continuing effort — in Canada and around the world — to develop the ideas that can change people's minds, change their behaviour, change the world for the betterment of each and every one of us.

Thank you Mr. Speaker.



CAI EA -S77

Statement

96/32

CHECK AGAINST DELIVERY



NOTES FOR AN ADDRESS BY

THE HONOURABLE RAYMOND CHAN,

SECRETARY OF STATE (ASIA-PACIFIC),

BEFORE THE

HOUSE OF COMMONS STANDING COMMITTEE ON
FOREIGN AFFAIRS AND INTERNATIONAL TRADE

OTTAWA, Ontario June 13, 1996



Government of Canada

Gouvernement du Canada





The Asia Pacific region represents one of Canada's greatest foreign policy challenges. The Asia Pacific economies are undergoing a profound social, economic, and political transformation. Incomes are rising and people are moving to cities and travelling internationally. As a result, the emerging middle class in Asia is turning more to considerations of political freedom, improved infrastructure and living conditions, and sustainable economic development. The Asia Pacific region still has a long way to go in these areas, but the will of this emerging middle class cannot be ignored.

Over the past two and a half years, I have criss-crossed the region promoting Canada's interests. Those interests can be summed up in our overall foreign policy in Asia. It is based on three pillars: economic prosperity, regional security, and human rights and the rule of law. I would like to take a moment to speak about each of these three pillars.

In 1993 our government was elected on a jobs and growth agenda. One of the key goals of that agenda is to dramatically increase Canada's trade activity in the rapidly expanding Asia Pacific region. I am pleased to report that Canada is doing well in this region, better than ever before. After a one-year increase of 20 per cent in 1994, 1995 exports rose by another 30 per cent to \$26.5 billion, over half of our non-U.S. trade.

Last year, our sales to Japan rose a remarkable 24 per cent to over \$12 billion in 1995. In Hong Kong our sales increased by 50 per cent, in Malaysia, 96 per cent; in India, 64 per cent (almost two thirds in one year), and in Pakistan, by over 100 per cent.

The Asia Pacific region offers some of the fastest-growing markets in the world. These markets are as varied as the economies themselves. They present opportunities for almost every sector of Canadian business. These markets present a challenge. Their language, society, and business culture are very different from those of North America. However, the dynamism of the markets and the sheer size of the opportunities make the challenge worthwhile.

Team Canada missions to China in 1994 and to India, Pakistan, Indonesia, and Malaysia this past January have led to over \$17 billion in new business deals in follow-up activity. Other missions led by other Canadian ministers and myself have also promoted our commercial interests and through that, jobs and growth at home. It is estimated that every \$1 billion in trade creates 11 000 jobs here in Canada. These missions also demonstrate to Asian leaders that Canada intends to become a major player in this region for many years to come.

The Canadian Chamber of Commerce recently surveyed executives who participated in the January 1996 mission. They found that 94 per cent of respondents felt that Team Canada helped open doors for them in key markets and that these initiatives should be continued.

As well, 90 per cent saw the mission as having given their companies added momentum in their business development objectives.

As we have found during Team Canada Trade Missions, and also during my frequent missions, Canadian areas of expertise match up perfectly with sectors that Asian countries are trying to build up, such as: energy, telecommunications, financial services, natural resources, agri-food, and environmental protection. As reforms in China permit further foreign participation, and with tariff reductions last April, prospects for greater trade and investment between our countries will continue to improve.

Moreover, central governments are still prominent in Asian economies, but not to the extent they once were. More and more decisions are being decentralized towards local authorities or outside government altogether. We have to focus on our ability to identify and cultivate these new decision makers. Team Canada missions and smaller trade missions to regional markets help match up Canadian business people with these key decision makers.

Forces of globalization and economic restructuring are also helping to open markets in Asia. With the implementation of the Uruguay Round of tariff reductions and the probable accession of China, Taiwan and Viet Nam to the World Trade Organization [WTO], the role of tariff barriers as a major constraint to doing business in Asia Pacific is diminishing.

Bilateral agreements provide another way to reduce trade and investment barriers. For example, the first Foreign Investment Protection Agreement [FIPA], a bilateral, reciprocal agreement to promote and protect foreign investment, was signed with the Philippines in late 1995. Negotiations are under way with China, Indonesia, Thailand, India and Viet Nam.

The second pillar I would like to briefly address is regional security. Indeed, protecting our security is a key part of our foreign policy. Our economic and commercial objectives in the Asia Pacific depend on the continuance of peace and stability. The end of the Cold War has changed much in the world but the region still has problems, and a number of them are of direct interest to Canada.

One important matter we are watching closely is Hong Kong's transition in 1997. The transition is now less than 400 days away. I believe we have made progress with the Chinese in clarifying the rights of abode after July 1, 1997, and in assuring our right to provide Hong Kong with consular assistance. I am also cautiously optimistic that the transition itself can proceed smoothly. We can be reasonably confident that Hong Kong will remain a member of the Asia Pacific Economic Co-operation forum [APEC] and of the WTO. At least in the near to medium term, its international trade and financial role will be preserved as we had hoped.

Other questions in Asia Pacific include the possible resumption of tension between China and Taiwan — the progress of talks on trade, economic co-operation and direct air and sea links will be key to watch. We face a potentially dangerous conflict between India and Pakistan over Kashmir, especially in the context of continuing nuclear rivalry. We are also concerned with the situation on the Korean peninsula. There is a 13-year-old brutal ethnic conflict in Sri Lanka; it shows a few signs of permanent resolution.

Arms control, open skies, and secure sea lanes are among Canada's primary concerns in the area of security in the region. Our goal is to have a "place at the table" in emerging security discussions, especially where our principal interests are affected. We actively participate in the Association of Southeast Asian Nations [ASEAN] Regional Forum, so far the only dialogue mechanism in place in the region. And Canada has significant expertise to offer. We continue to assist Asia Pacific economies with Canadian experiences, techniques and specific skills in peacekeeping and arms control.

Sustainable development in Asia is critical to global environmental security and clearly must also an integral part of our policy towards Asia. It is estimated that by the year 2000 there will be 30 Asian cities of more than five million people. By the year 2015, 17 of the world's 27 mega-cities will be in Asia. The Asia Pacific is undergoing a profound social, economic, and political transformation. The impact of these changes on the world's ecosystem will be substantial.

Finally, I would like to take a moment to touch on the third pillar — one which is the main reason I became involved in politics — human rights.

As many of my colleagues are well aware, until the events of 1989 in Tiananmen Square in China, I had been living a comfortable life — I was happily married with two children, I had a nice home and a good job. But the events of that day forced me to re-evaluate my situation. It really hit me that here I was in Canada enjoying our precious democracy while students in China were paying the ultimate sacrifice to fight for that same democracy. With this in mind, I helped found the Vancouver Society in Support of Democratic Movement. From that experience I decided to contribute to the democracy of my country, Canada, and, as a result, I am proud now to be the Member of Parliament for Richmond, British Columbia.

I am proud that respect for human rights is an essential part of our government's foreign policy. For the past two and a half years I have worked to promote human rights in Asia Pacific while at the same time clearly enunciating that our relationship with the economies of that region cannot be reduced or simplified to a trade versus human rights argument. We believe systematic and wide ranging contact will lead to calls within Chinese society for

greater openness and freedom. Certainly there is evidence that increased political flexibility is a by-product of economic liberalization, and governments that have opened their markets to international trade are more sensitive to the views and reactions of other countries.

An inward-looking society that depends little on trade and international investment is less likely to respond to concerns raised by foreigners. Trade reduces isolationism. Trade also expands the scope of international law and generates the economic growth required to sustain social change and development. Economic liberalization also leads to a pluralization of interest groups in society. Nevertheless, it is imperative that we as a government continue to raise the matter of human rights with those countries we believe to be in violation thereof, at every opportunity. While we respect time-honoured traditions and cultures, our position has always been that the best guarantee for stability and prosperity is a government that is responsive to its people.

As a matter of policy, this government will continue to work with other economies to ensure that they respect their obligations under the United Nations Declaration of Human Rights. On a bilateral basis, we have also expressed our concerns on human rights to the leadership in several economies in the region. Indeed, during my most recent visit to China last month, I personally voiced my concern about human rights in China in my meetings with several officials, including Foreign Minister Qian Qichen. I have done the same in many other economies in the region, including Viet Nam and Indonesia. I have also met with both human rights officials and activists in India to discuss such issues as the troubled Punjab region in India, and with both Pakistani and Indian officials to discuss the ongoing problems in Kashmir. Indeed, wherever appropriate I continue to raise Canadian concerns for human rights matters whenever I meet with my Asian counterparts.

At the same time, our government engages in constructive projects with our Asian partners on questions of human rights. CIDA [the Canadian International Development Agency] continues to do great work in the area of promoting human rights, good governance and the rule of law. As I clearly saw last month in China for example, CIDA's China Program has contributed to China's economic reforms and gradual opening, mainly by creating links between people and institutions, transferring skills, knowledge and technology, and exposing thousands of Chinese to Canada, its values and governance modes.

There are those in Asia who argue that democracy is not appropriate in Asia because it is alien to "Asian values" such as Confucianism. I totally disagree. As I stated in China last month, the ruling class always elaborates this in its own self-interest. They manipulate Confucianism to support their own cause. As far as I am

concerned, democracy and freedom of thought are well entrenched in Confucian thought.

In closing, I am convinced that our government's focus on the Asia Pacific — and our explanations to Canadians for that focus — is perhaps the best example to Canadians of our government's Red Book philosophy. In short, exports create jobs, and jobs create wealth for Canadians, thus helping to reduce the deficit and to maintain many of those programs, such as health care, that have made our country the envy of the world.

The expansion of business ties across the Pacific and throughout Asia will take persistent efforts, but I am confident those efforts will succeed. I believe we can build on improved market access resulting from the Uruguay Round and the progress made bilaterally with a number of individual countries. It will take well-targeted trade, investment and tourism promotion efforts. It also will benefit by our enthusiastic participation in regional institutions, above all the Asia Pacific Economic Co-operation forum.

In this regard, I was proud to announce last November that Vancouver will serve as the site of the 1997 APEC Summit and Ministerial. This will provide a great opportunity to showcase Canada to our Asia Pacific partners. APEC 1997 is an excellent occasion to demonstrate Canada's character as a Pacific nation and an active partner in the region.

Success in Asia Pacific means a commitment not only over time but across many fields of human endeavour. It covers personal ties between leaders; acceptance of certain responsibilities in areas such as peace, human rights and democratic development; recognition of the value of educational and cultural links; and sharing of experience in specific areas such as research and development, environmental preservation, or other challenges of public policy.

For me, there is a special meaning to the engagement, indeed the mobilization, of Canadians of Asian origin in the building of our Asia Pacific partnerships. Canadians of Asian origin, whether representatives of big companies or entrepreneurs from our dynamic small and medium-sized firms, can contribute to the national effort we need. They will add empathy to our Asia Pacific ties, the kind of cultural affinity so long of benefit to our North American and European links. Much of our success in realizing our own aspirations in business will have to do with the success we have in linking our peoples.

I have been trying to do my part and will continue to do so.

Thank you.





Statement

96/33

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY

THE HONOURABLE ART EGGLETON,

MINISTER FOR INTERNATIONAL TRADE,

ON THE OCCASION OF THE SIGNING OF

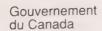
THE CANADA-ISRAEL FREE TRADE AGREEMENT

TORONTO, Ontario July 31, 1996













Today; we have come together to celebrate the signing of a Free Trade Agreement with Israel. And we are honoured, indeed, to welcome to Canada the Israeli Minister for Industry and Trade, Natan Sharansky.

I can say without hesitation, sir, that you are a hero to many. During the darkest days of Soviet oppression, you were a torchbearer for freedom.

Like the nation you serve, you have endured the pain and the peril that come from standing fast to principles. But like Israel itself, you have chosen to live in the hopes of the future rather than in the hurts of the past.

Like the nation you serve, you have endured despite oppression, succeeded despite opposition and triumphed, despite the odds.

And just as Israel has become famous for making the deserts bloom, so too have you demonstrated a determination to persevere and to transcend.

We are honoured by your presence here today.

In two years, Israel will celebrate the 50th anniversary of its founding. Fifty years of struggle and success. Fifty years of perseverance and progress.

And as Israel embarks on the next stage of its journey, Canada is proud to stand as both ally and friend.

Israel and Canada have long enjoyed close relations. Our relationship is rooted in common values and shared beliefs — the belief in freedom and the dignity of the individual.

And our relationship has been grounded in common hopes — hopes for peace and prosperity.

Today, we move toward cementing those ties and realizing the economic potential of our relationship.

In November 1994, Prime Minister Yitzhak Rabin and Prime Minister Jean Chrétien, began the process that lead to today's historic agreement.

I am delighted that the new government of Israel has chosen to embrace and support the Free Trade Agreement with Canada. This is a strong demonstration of Israel's determination to work for the creation of a new Middle East: a Middle East that is dynamic and outward looking; embracing change and expanding opportunities.

In today's ever-changing world, no nation, however rich or powerful, can long remain isolated from the great economic revolution sweeping the globe. Markets are opening up, barriers

are falling down and the free movement of goods, services — and ideas — is becoming unstoppable.

The old divisions between domestic and international markets are becoming more semantic than substantive. Differences between nations are giving way to new partnerships. Companies are treating the world as their marketplace, and the opportunities are boundless.

Both Israel and Canada have understood these new realities. That is why Israel has been busy expanding its trade ties, signing free trade agreements with the United States, the European Union, Turkey, the Czech Republic and Slovakia.

And that is why Canada has signed on to the NAFTA [North American Free Trade Agreement] and why we are working hard to pave the way for Chile's accession to that agreement. It is why we are such strong supporters of the World Trade Organization and why we are working toward a Free Trade Area of the Americas.

In such an environment, it is both appropriate and exciting that Israel and Canada should establish mutual free trade.

At present, trade between our two countries is modest, but it's growing. Two-way trade last year was up 37 per cent to stand at over \$500 million. I believe that that figure is set to grow exponentially, as this agreement opens up our markets to one another.

In fact, even before this agreement was negotiated, companies in both countries began to retool and adjust their business plans. Now, Canadian and Israeli companies will have duty-free access to each other's markets for industrial goods. And they will benefit from the reduction or elimination of tariffs on agricultural products.

Israel enjoys a strong and growing economy. It boasts a high standard of living and impressive economic growth. Residential construction is surging and foreign investment is increasing.

And if Israel has been able to achieve all of this during 48 years of difficulties and distractions, think what it could accomplish in an environment of peace and stability! Quite simply, Israel is set to become an enormously powerful economy in an important part of the world, and it is vital to Canadian interests that we be present there.

Israel as a whole represents a healthy and expanding market for Canadian goods and services, but there are some sectors that offer particularly strong potential. These include advanced electronics and communication systems, power and energy projects,

oil and gas exploration, as well as agri-food products and environmental technology.

All of these are areas where Canada enjoys world-class expertise, and all of these are areas of opportunity in Israel.

Canadian companies wanting to expand into Israel will find a wealth of support. The Canadian Embassy in Tel Aviv is working hard to line up potential partners and can provide valuable market intelligence for both Canadian and Israeli businesses.

One important vehicle for this search has been the Canada-Israel Industrial Research and Development Foundation. Established in 1993 to promote industrial co-operation, it has played a key role in matching Canadian firms with ones in Israel. To date, the Foundation has approved 11 projects, worth over \$9 million, in collaborative R&D [research and development]. The Foundation also provides repayable grants for promising joint ventures.

In addition, the Export Development Corporation [EDC] offers four lines of credit for buyer credit financing in Israel. And Canadian companies looking for financial or risk management services will find a ready source in the EDC.

So the support is there, and now that governments have played their part in establishing the infrastructure for free trade, it will be up to the private sectors in both countries to step forward and realize the potential of this new relationship.

Complementing Israel's economic reforms are its growing political relations. At the end of 1995, Israel had re-established relations with more than 40 countries that had broken ties in the 1960s and early 70s.

Canada has always been firmly committed to the Middle East Peace Process. And the relationship between peace and freer trade is clear. At its best, free trade acts as a system of rules for peaceful economic relations. When nations begin trading together and establishing a mutually beneficial connection with each other, there is a greater tendency to see the other, not as an adversary to be confronted, but as an ally to be consulted.

We can see evidence of this reality already: As a result of the Peace Process under way, Israel and its neighbours are contemplating a large number of capital projects in the areas of transportation, energy and communications.

Canada supports these constructive alliances and wants to be a full and active player in the future economic development of this region.

And while this agreement is between Canada and Israel, we have offered to extend its benefits to goods produced in the West Bank and Gaza. We are examining ways to best achieve this in co-operation with the Palestinian Authority.

Canada also intends to support the Middle East and North Africa Summit, scheduled for November in Cairo. We will be sending an unprecedented private sector delegation to this meeting — evidence not only of our interest in this area, but of our conviction that significant business development is possible there.

Finally, Canada welcomes today's signing because trade means jobs and growth here at home. Fully 37 per cent of our GDP [gross domestic product] is generated through exports. One in three jobs in Canada depends upon our ability to sell our goods and services abroad.

With a relatively small population, Canada simply must find markets abroad to buy what we produce. We must expand and diversify our trade or risk stagnation.

That is why we have set ourselves the goal of doubling the number of companies exporting by the year 2000. And this free trade agreement with Israel offers a rich market for Canadian companies — whether currently exporting or not — to explore.

Today, we lay the foundation for the challenging work of doing business with one another.

Now, our strong bonds of friendship will be complemented by stronger economic ties. More than ever, we will see ourselves as partners — not only for peace, but for progress, not only for security but for prosperity and not only for survival, but for enrichment.

Israel and her distinguished son, Natan Sharansky, embody the will in all of us to persevere and to transcend. If this agreement can contribute, in even a small way, to creating the conditions that will lead to peace, then we will have built better than we know.

Thank you.



Statement

96/34

AS DELIVERED

NOTES FOR AN ADDRESS BY THE HONOURABLE RAYMOND CHAN,

SECRETARY OF STATE (ASIA-PACIFIC),

TO THE LANGKAWI INTERNATIONAL DIALOGUE

"The Role of Government in Smart Partnership"



LANGKAWI, Malaysia July 30, 1996





Team Canada — for those of you who haven't heard — is one of our best examples of "smart partnership." It is a unique undertaking that brings together Canada's political and private sector leaders to cultivate stronger bilateral and trade ties with our valued partners. We were honoured to visit Malaysia earlier this year.

It was our way of saying we are very proud Canada has been here — working in partnership with Malaysia since the earliest days of its independence to help build a modern Asia — within Malaysia and throughout the region. It was our way of saying that we value our partnerships in sustainable development, in business, in human resources and in technology.

Team Canada — like smart partnership — is about creating opportunity. It is about creating opportunities for our citizens; creating opportunities to strengthen ties between our nations and our people; creating opportunities to make sustainable development achievable.

The success of smart partnership — like Team Canada — is contingent upon governments and the private sector working together. While it is ultimately businesses that will innovate and create jobs for our citizens, there is much governments can do.

We can ensure that the necessary environment is in place for businesses to expand and prosper. In Canada, this has meant keeping interest and inflation rates down and bettering our deficit reduction targets. It has meant investing resources in youth, science and technology and trade.

Governments can also work to reduce barriers to the free flow of goods and services. For Canada, this has meant working tirelessly to bring seven years of protracted multilateral trade negotiations to a successful conclusion.

It has meant working with our partners through the G-7 and the Asia Pacific Economic Co-operation [APEC] forum to see that the first Ministerial Conference of the World Trade Organization in Singapore in December 1996 is a success.

And it has meant that we must pursue further trade and investment liberalization in other forums, such as APEC, to reinforce global efforts. Canada's role in APEC has intensified as we prepare to assume chairmanship of this organization in 1997.

We are working closely with the Philippines, which is chairing the process this year, and with Malaysia, which will assume the chair in 1998. We will be working to ensure that beyond trade and investment liberalization, APEC also addresses other areas that are intrinsically linked to our ability to build a Pacific community.

For instance, more must be done to increase transparency, information exchange and the use of information technology, and more must be done in areas of infrastructure such as

transportation and telecommunications. This will be an important objective for Canada in 1997.

The Government of Canada believes that we must encourage trade and investment not only because it creates opportunity, but because trade reduces isolationism. Trade expands the scope of international law and generates the growth required to sustain social change and development.

This is a principle we have also supported through our development co-operation programs. Canada has a long tradition of providing development assistance in Asia, for instance, going back to the early days of the Colombo Plan. Canadian assistance has evolved from providing capital assistance for energy production and large-scale food aid.

We have reoriented our programming in countries where economic growth is strong to help governments improve economic and social policy frameworks and to help private sectors access expertise and technology from the Canadian private sector.

Programs are being directed to set the stage for mutually beneficial economic co-operation. Our Industrial Co-operation Program, for example, supports the establishment of partnerships between Canadian businesses and their Asian partners.

In some instances, the program shares up to 80 per cent of the eligible costs incurred by a Canadian company for its activities that have a positive developmental impact, such as technical and economic viability studies, specialized training, transfer of technology and expertise, and environmental, social or gender impact assessments.

Many of the new business deals that Canadian companies signed during the Team Canada mission to Malaysia were supported by this program. They ranged from joint ventures in manufacturing of steel poles, kitchen cabinets and bathroom fixtures to energy production deals and development of educational training programs. These are sterling examples of smart partnership at work.

The Government of Canada believes that whether it is through seeking further liberalization of trade and investment or through our development co-operation programs, this is how we can help create opportunity — this is our role in smart partnership.

By working closely with other governments and with the private sector, we help create opportunity and contribute to a more secure, equitable and prosperous world.

Thank you.



Statement

96/35

CHECK AGAINST DELIVERY

THE HONOURABLE LLOYD AXWORTHY,

MINISTER OF FOREIGN AFFAIRS,

AT THE WORLD CONGRESS AGAINST

THE COMMERCIAL SEXUAL EXPLOITATION OF CHILDREN



STOCKHOLM, Sweden August 27, 1996



Government of Canada

Gouvernement du Canada





It is wrong to exploit any person. It is even more wrong if that person is a child. And when abuse takes the form of the commercial sexual exploitation of the young, it is an abhorrent criminal act, and we must put an end to it.

It's hard to believe that, on the eve of the 21st century, we still find ourselves trying to deal with a form of slavery. And there is, in the sexual exploitation of children, a very real degree of modern-day slavery — as well as serious social and public-health issues.

That is why this conference is so worthwhile, and so urgently needed. It gives us a chance to share information and ideas; to convert the goodwill and commitment of more than a hundred countries and institutions and non-governmental organizations into action; to coordinate our strategies and launch our attack against the traffic in, and the use of, children as sexual commodities.

What makes this practice so evil? It is the calculated victimization of the most vulnerable, the assault on the innocence and dignity of those least able to protect themselves. The act of forcing a child into prostitution is no less heinous than that of the sniper in war who fixes the sights of his rifle on a child playing in the street and coldly squeezes the trigger.

What makes it so persistent and pervasive? It is the money and the power that money can buy, and roots that run deep into poverty, alienation and cultural attitudes.

And what makes it so difficult to tackle? It is the very fact that it takes place outside the law and beyond the bounds of respectability... plus it is cloaked in a conspiracy of silence by those involved and by those who prefer to pretend that it isn't happening.

The Government of Canada, in its last Throne Speech, made the rights of children a Canadian priority. We are committed to working with other countries, NGOs [non-governmental organizations] and other interested parties to address these problems head on.

However, a country's credibility depends not only on the strength and sincerity of its words, but also on what it does at home, within its own borders.

In Canada, commercial sexual exploitation of children has three faces: child pornography, child prostitution and sex tourism.

In 1988, Canada strengthened the criminal prohibition against the sexual abuse of children and made it easier for them to give evidence. And in 1993 — to penalize child pornographers and express our society's utter rejection of their way of dehumanizing and profiting from children — we amended our Criminal Code to prohibit child pornography and stiffen sentences for those who possess or import it. And yet, despite new laws and major efforts through

social programs and education, I regret to say that child prostitution and child pornography still exist in Canada today.

Sex tourism — looking at the shadowy evidence we have so far — is only a small part of the global business of exploiting children as sex objects... but it is certainly lucrative and highly visible. To attack this aspect of the exploitation of children, the Government of Canada introduced a bill that is now before Parliament that proposes to criminalize sex tourism practised by Canadians or by permanent residents of Canada, wherever they may commit their crimes. The message is clear: we will not tolerate sex tourism.

We have also taken action beyond our borders. We have done so, not to impose our values, but at the invitation of national governments. We have supported their efforts in the fight against the commercial sexual exploitation of children. The Canadian International Development Agency has helped with a whole array of initiatives in developing countries to protect and educate children, strengthen their rights, and aid victims of the sex trade.

These efforts range from job training — so that children in Brazil and Thailand have options beyond the sex industry — to counselling for abuse victims in Paraguay, to advocacy workshops for street kids and the rural poor in the Philippines and Thailand, to teaching material for primary schools in Nepal, Thailand and Peru.

Recently, I visited a Canadian project in Chiang Mai in northern Thailand. By the simple expedient of providing children with assistance to grow their own food, children who were the offspring of prostitutes or who, in some cases, had been prostitutes themselves were given the possibility of beginning new lives.

Efforts like these — more than 40 projects in recent times, carried out in co-operation with developing countries — are helping children to realize that they have rights, and to speak out. And no one can speak with more powerful effect, on this issue above all, than children themselves.

Canadian NGOs are also working hard to prevent the exploitation of children. Save the Children Canada, for instance, supports centres for homeless kids that offer them alternatives to living and working on the streets. The tireless energy of a young Canadian, Craig Kielburger, and Free the Children has mobilized great interest among school children across our country. This conference must build on the enthusiasm and dedication of children who want to work together and help each other.

But the problem is vast, and it has so many facets. We know that poverty itself makes children, particularly girls, more vulnerable to sexual exploitation. And we know that the children exploited in this way are especially vulnerable to AIDS.

What, then, must be done?

We must move beyond words, to action. Between 1904 and 1956, at least five international conventions tackled, in one way or another, the commercial sexual exploitation of children. But as the century ends, no country is free of it, and the problem persists, in forms as old as brothels and as new as the Internet.

Solutions won't be easy. Individual governments alone can't succeed. To eradicate this cruelty to children, our only realistic hope lies in the combined effort of governments, international organizations, voluntary movements, millions of concerned and active citizens and most important of all, in the mobilization of children themselves.

Together — using all available tools, making maximum use of the full range of multilateral, regional, bilateral, local and individual channels and resources — we have a chance to bring about change.

We must use information technology to share information, while making sure it doesn't become a new tool in the arsenal of those committing the crime.

We must make our laws effective, and ensure they are enforced... which means we must also provide the police with better training and more resources.

We must put in place the strongest possible global framework of legally binding obligations, starting with the Convention on the Rights of the Child and moving resolutely to conclude successful negotiations on the Convention's Optional Protocol on the Sale of Children, Child Prostitution and Child Pornography.

We must make those who exploit children in such a vile way painfully aware that this is not a livelihood that can be tolerated. We must make those who allow such things to happen — corrupt police and border guards, venal promoters, lax government officials — realize that they will be held accountable for their complicity. We cannot leave the people who make such sordid practices possible with a shred of respectability.

For some countries, this will be harder than for others—precisely those where the commercial sexual exploitation of children is most widespread, where the poverty of the victims contrasts so sharply with the big money that can be made from their exploitation.

We can take heart from the leadership and courage being shown by some governments and many individuals in the developing world, who are taking action despite the risks and costs. We owe them our support. But we're still at the stage of first steps, and far from the goal.

But I'm here — because the issue is important to me personally, and in support of our strong Canadian delegation — to send a clear signal

both of our government's commitment and of our people's support for the fight against the commercial sexual exploitation of children, wherever it may happen. As governments and NGOs, we are here as the representatives of the world's children.

I want to thank the organizers for putting together this valuable, groundbreaking conference. Canada pledges its best efforts to promote and achieve the goals of the Congress, as we continue working to honour our commitments under the Convention on the Rights of the Child. We are determined to work together with countries, international organizations and especially the Committee on the Rights of the Child, NGOs and people everywhere who care about the welfare of children. We are eager to take part in this important initiative and determined that the momentum generated by this Congress will continue long after its last session.

Through such partnerships, in the past, we overcame slavery in much of the world... and more recently, segregation and apartheid. Now, the time is overdue for similar success in overcoming this contemporary form of slavery.

Here, today, I reaffirm Canada's strong commitment to protecting and promoting human rights — especially the rights of the most innocent and vulnerable, our children.

We may never succeed in totally eradicating the commercial sexual exploitation of children, in any country. But together, we can prevent great harm, demolish the systems and schemes of the exploiters, and give countless children a brighter and better future.

I would like to conclude with the words of the elders of one of Canada's First Nations — the Cree of my own native Manitoba.

There is a common belief among the Cree Nation that a child is a gift or loan from the great spirit and that you were given the responsibility to raise and care for that child. Since a child is a gift from the great spirit, the child is 'sacred' and must be treated with respect and dignity.

Thank you.



Statement

96/36

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY THE HONOURABLE ART EGGLETON, MINISTER FOR INTERNATIONAL TRADE,

> ON THE OCCASION OF THE SECOND READING OF THE BILL TO AMEND



THE FOREIGN EXTRATERRITORIAL MEASURES ACT

OTTAWA, Ontario September 20, 1996





Mr. Speaker,

There are certain pieces of legislation which one would prefer not to have to pass. The amendments before this House today fall into that category. Canada has been compelled to strengthen the provisions of the Foreign Extraterritorial Measures Act (FEMA) because of the actions taken by the United States in passing the Helms-Burton law.

No one seeks, Mr. Speaker, to be confrontational. No one wants to risk enlarging the dispute. But certain fundamental principles must be respected. And the freedom to maintain our own foreign policy and trading relationships is one of them.

Canadians have the right to expect that their government will act to respond to threats to our sovereignty and this government is fully prepared to accept that responsibility.

Mr. Speaker, Helms-Burton is wrong on many levels. I will deal with several of these today. But at the most fundamental level, it is objectionable because it attempts to enforce uniformity of approach and to deny the freedom to other nations to make up their own minds and implement their own policies.

It says: our foreign policy must be your foreign policy, our trade relations your trade relations, our friends your friends and our foes your foes. And if you don't agree, our laws will become your laws.

That, Mr. Speaker, is wrong, wrong, wrong!

Many years ago, President Kennedy said of the relationship between our two countries that "geography has made us neighbours, but history has made us friends." That is true, Mr. Speaker, and we welcome that relationship. History has indeed made us friends, but it has not made us the 51st state.

We are not subject to American laws and we are not obligated to follow their rules. Our foreign policy and our trade policy are made in Ottawa — not Washington. That is something this nation has always declared and that is something this government will always defend.

Mr. Speaker, both Canada and the United States are trading nations — not only with each other, but with the world. And the Americans have always played a key role in promoting and supporting freer trade around the world.

That commitment stretches back as far as President Woodrow Wilson and was reaffirmed as recently as 1994 by President Clinton at the Summit of the Americas in Miami. There, led by the host United States, we launched the Free Trade of the Americas initiative, which seeks to build bridges to the newly emerging economies of Central America and the Caribbean.

Americans know that trade is bringing the world together as never before. With the free exchange of goods and investment comes a greater openness to new ideas and new approaches. Again and again, history has shown us that closer trade links lead to closer relations between nations.

So freer trade and a clear system of rules to enforce it are important objectives and ones which this government has fully supported.

Recently, however, we have seen disturbing indications that the American commitment to freer trade may be flagging. First there was the isolationist rhetoric which reverberated throughout the American presidential primaries and now there is Helms-Burton.

Mr. Speaker, those of us who are committed to tearing down barriers and opening up opportunities cannot be selective in our approach. We cannot defend in principle and then defy in practice.

And as the leader of the movement to freer trade, the United States cannot say, "The world should follow this path, except when we tell them not to." It cannot oppose a system it says is closed and anachronistic by passing laws which imitate that system. And it cannot oppose isolationism by isolating selected adversaries.

Canada and the United States no doubt share a common objective in Cuba: advancing democracy, economic reform and respect for human rights. The difference is in the best way to achieve that result. The Americans believe in isolating Cuba; we prefer to engage Cuba. History will have to judge which approach is better. I would only note that the American policy has been in place for over 30 years. Presidents Kennedy, Johnson, Nixon, Ford, Carter, Reagan and Bush have all come and gone, but Castro remains in power.

And why this particular approach to Cuba? The United States has profound differences with China too. But that doesn't stop it from doing billions of dollars' worth of trade with China. And no one would suggest that because the United States carries on trade with China that it disapproves of certain Chinese policies any less. So why this double standard with respect to Cuba?

But the confusion does not end there, Mr. Speaker. On June 21, the State Department's co-ordinator for Cuban Affairs, Michael Ranneberger, said that Helms-Burton is designed to "discourage foreign investment in Cuba." That was a candid and straightforward statement of fact.

And yet, just last month, the President's special envoy to Cuba, Stuart Eizenstat, told an Ottawa press conference that the U.S.

was in no way telling Canadians to stop their trade or investment with Cuba; that there was no gun to our head. Rather, he went on, Canadians should invest in a strategic way that would help to advance democracy in Cuba.

It would seem, Mr. Speaker, that trade and investment with Cuba are okay, as long as they meet with U.S. approval! This is what happens when policy is made on the run, in response to election year pressures and hoopla. It is no way to conduct sound, long-term policy.

It is a throwback to the old days when governments believed that trade should be controlled according to circumstances and not according to agreed-upon rules. It is a look back and not a step forward.

There is another aspect to this legislation which is troubling and that is its effect on friends as well as the foe. Helms-Burton has taken a U.S.-Cuba problem and made it a much broader international trade and investment issue.

Two sections of the Act are particularly offensive. Title III allows U.S. citizens with claims on expropriated property in Cuba to sue foreign nationals, such as Canadians, in U.S. courts. If the company has no assets in the United States, an American could try to have Canadian courts enforce the ruling.

Two months ago, President Clinton suspended this right to sue for six months. He can change his mind at any time. As long as Helms-Burton is on the books, the threat of lawsuits exists.

Title IV of the Act allows the U.S. government to deny entry to executives of companies which the U.S. State Department deems to be "trafficking" in property subject to a U.S. claim. And this ban extends to the families of those executives.

Mr. Eizenstat said that there was no gun to our head. But it seems to me, Mr. Speaker, that there are two guns — Titles III and IV. Both are fully loaded, but one of them, Title III, has the safety catch on until the Americans decide to release it.

Helms-Burton is also regressive in other ways. At a time when our hemisphere is coming together as never before, Helms-Burton seeks not to integrate but to isolate. With initiatives such as the Miami Summit and the Free Trade Area of the Americas, we have the chance to tie the disparate elements of this hemisphere into a new relationship — one built on openness and the free exchange of ideas, individuals and products.

Helms-Burton runs counter to this impulse and would erect barriers, not bridges, create resentments, not relationships and introduce tensions, not trust. Finally, Helms-Burton is unacceptable because it flouts longestablished international legal practices for settling disputes between nations regarding claims by foreign investors who have had their property expropriated.

These established practices have served the world well in the past. By choosing to ignore them now, Helms-Burton sets a dangerous precedent. If the U.S. behaves in this way today, what is to stop other countries from adopting similar measures tomorrow? And if such an international free-for-all ensues, we will undo much of what has already been achieved in bringing trade under international rules.

For all of these reasons, Canada has objected to Helms-Burton. We have raised this matter with the highest levels of the American administration and I have met with my Mexican and American counterparts for consultations under Chapter 20 of the NAFTA [North American Free Trade Agreement].

Canada has also raised this matter with our other trading partners, within both the World Trade Organization and the Organization for Economic Co-operation and Development. In the current negotiations on the Multilateral Agreement on Investment, we are seeking protection against just this type of measure and we will not let up in those efforts.

Led by Canada's opposition to Helms-Burton, both the European Union and Mexico are drafting legislation similar to our FEMA. And other nations are considering doing the same.

Nor is the criticism and concern coming only from outside the United States. The U.S. Chamber of Commerce and the U.S. National Association of Manufacturers urged the President not to implement Title III of Helms-Burton.

The United States, they said, benefits as much as anyone from "strong, stable and reliable rules" regarding trade. In other words, Mr. Speaker, even the business associations that represent many of the companies that might be able to sue under Title III are opposed to its application. They know the danger. They know what's at stake.

All of this pressure — from both within the United States and abroad — helps. But there is still more we can do on our own, and that is make the changes necessary to the FEMA.

We believe that the amendments before this House constitute an appropriate and measured response and that they will be effective.

The original intent of the FEMA, when it was passed in 1985, was to block unreasonable laws or rulings of a foreign power from being applied in Canada.

The amendments we are proposing will strengthen the FEMA in two ways:

- they will permit the Attorney General to block any attempt by a foreign claimant to enforce a judgment under a law such as Helms-Burton; and
- they will give Canadians recourse to Canadian courts if awards are made against them in American courts. In other words, Canadians can apply in our courts to recover or "claw back" from the American claimant an amount equivalent to that awarded against them by the American court.

Let's take the example of a U.S. national who wins a suit under Helms-Burton against a Canadian in an American court. If the Canadian has no assets in the United States, the U.S. national would have to ask a Canadian court to enforce the judgment. The Attorney General of Canada would now be able to issue an order blocking this process.

And if the American court ordered the Canadian to pay damages, he or she could sue the American in Canadian courts to recoup the full amount of the award. This amount, plus costs in both countries, would be applied against the American's assets in Canada.

One of the problems we have encountered in the past is the refusal by Canadian companies to comply with the FEMA because the penalties from the foreign country are higher than those exacted by our own law.

In order to increase the chances of compliance, we are increasing financial penalties under the Act from a maximum of \$10 000 to \$1.5 million.

The amendments would also allow the Attorney General to place foreign laws he or she considers objectionable on a list under FEMA. This "listing" would give the government greater flexibility and provide for a quicker response time in defending Canadian interests.

Mr. Speaker, all of the amendments we are proposing are moderate and defensive in nature. It is our hope that they need never be employed. But it is vital that they be available to Canadian companies in order to protect themselves, should they ever be required.

Let me close, Mr. Speaker, by calling upon the United States again to remember the principles for which it has fought and through which such progress has been achieved. I ask it to remember the benefits freer trade has brought it and others in the past, and the still greater promise of freer trade in the future.

We have come too far and achieved too much to stop now. We have broken down too many barriers to begin constructing new ones. We cannot, we must not, sacrifice those principles to expedience.

So let us work together to expand the circle of opportunity by expanding the benefits of freer trade. Let us work together to engage, not isolate Cuba — and all the other Cubas around the globe — so that the freedoms and the hopes and the opportunities of freer trade will be brought to all people, in all parts of the world.

Thank you.



Statement

96/37

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CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY

THE HONOURABLE LLOYD AXWORTHY

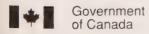
MINISTER OF FOREIGN AFFAIRS

TO THE 51ST GENERAL ASSEMBLY

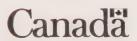
OF THE UNITED NATIONS



NEW YORK, New York September 24, 1996









Mr. President, distinguished delegates:

Forty years ago, in the depths of the Cold War, the United Nations General Assembly authorized the setting up of a peacekeeping force in the Suez. Thus emerged an important tool for the international community, one that has since served the cause of peace in many different forms around the world. Canadians take a special pride in peacekeeping because the concept was developed in part by our Foreign Minister of the time, Lester B. Pearson, who received the Nobel Peace Prize for his efforts.

As we reflect on this, the 40th anniversary of UN peacekeeping, there are certain conclusions to be drawn:

 the UN has played a crucial role throughout the world by dint of its peacekeeping role;

• innovation is both necessary and possible within the UN; and

• in our time, different as it may be, the spirit of internationalism, of commitment to co-operation, calls to us once again.

In a new and changing global environment, internationalism is ever more important for all nations — large or small, weak or powerful — both as an organizing principle for international relations and as a means to deal with crises. Changing times have set us a new and broader agenda, which includes focussing on the security needs of the individual — in other words, sustainable human security. Unfortunately, new times have not sufficiently been reflected by a rededication to the UN as an expression of the spirit of internationalism. There remains too often a tendency to act according to the old power configurations of the Cold War era, rather than to seek out collective approaches that address the roots of conflict and attempt to resolve them through common action. As a consequence, the UN suffers, and its ability to meet the broad security needs of people around the world is damaged.

The need for recommitment to the UN is clear, and so, too, is the need for the renewal, restructuring and refocussing of the organization and its various bodies and agencies. In implementing this agenda of UN renewal, we will no doubt encounter difficulties and differences of opinion. But this should not discourage us. We need the courage to innovate on two fronts: in grappling with a new and complex world agenda, and in restructuring the UN to respond effectively to this agenda.

Mr. President, the basic mandate of the UN at its foundation was the prevention of international conflict. As peacekeeping has changed over time, one can see the evolution of the security agenda itself, from a simple buffer between states to various forms of mediation, observation, protection and early warning to the maintenance of order and involvement in reconstruction. The range of activities in recent times is impressive: from Haiti to

Cambodia, from the Golan Heights to El Salvador, from Bosnia to the peace accords now being signed in Guatemala.

This range demonstrates that the international response to threats to security has gone well beyond the initial definition, which was limited to dealing with cross-border aggression. Rather, in a continuum of threats, there is an increasing focus on conflicts that take place within borders but that have severe ripple effects throughout a region or even the entire international system. These types of conflict are still, in peacekeeping terms, largely uncharted waters, and there are differences of view on how best to respond.

What is clear is the need for a new tool-kit for the UN to respond to a variety of different situations. In this context, I am glad to note that most of the recommendations made in the Rapid Reaction study tabled by Canada last year are being implemented. The key recommendation was the establishment of an operational-level headquarters by the UN as a means of better responding to crises. Canada will continue to support the UN's efforts to establish a headquarters, which will enhance its ability to respond rapidly and with flexibility. But this is only one tool. Many more are needed, especially in the area of prevention of disputes and in the arduous and complex task of building peace.

The failure of conflict prevention in Rwanda, as outlined in the Rwanda Evaluation Report, has made abundantly clear the need to enlarge the concept of peace-building to embrace prevention as well as peace-making and post-conflict reconstruction. Preventive action will require greater commitment from UN members to intervene early. To make a difference, both prevention and reconstruction will require a greater commitment from the international community to be engaged in peace-building actions.

In Canada, we are currently focussing our approach to these issues. We have started to rework our own tool kit to improve our ability to initiate and support peace-building operations in areas such as preventive mediation and dialogue; human rights monitoring and investigation; media and police training; judicial reform; and demobilization. We look forward to co-operating with other nations that are also exploring innovative approaches to peace-building.

Mr. President, the search for new tools and means to use them collectively cannot be a substitute for the reinforcement of existing mechanisms to build peace. We are about to take an historic step forward on the nuclear disarmament agenda. Today the Comprehensive Test Ban Treaty [CTBT] was opened for signature. This Treaty is the result of decades of hope and effort, by people around the world, to end nuclear testing. This morning, I signed the Treaty on behalf of Canada; it will soon be

ratified. We call upon all member states of the United Nations to do the same, so that the Treaty can enter into force well before we enter the 21st century.

The adoption of the CTBT marks a watershed in nuclear non-proliferation and disarmament. The children of tomorrow should, hopefully, never have to know what a nuclear test is. If we can succeed in this, and if we can vigorously pursue the goal of systematically and progressively reducing nuclear weapons, with the ultimate goal of eliminating them, we can ensure that they know less and less about this terrible scourge on humanity.

Mr. President, if the world can focus its energies on ending the testing of sophisticated and expensive nuclear weapons, we believe that there is real hope for setting ourselves the goal of ending the use of the most simple, cheap and, on a daily basis, destructive weapons in use today: anti-personnel land mines.

We have all witnessed the suffering, death and horrifying mutilation caused by anti-personnel mines. Canada, along with many countries and organizations, is engaged in mine-clearance operations and victim-assistance programs. But the simple fact is that anti-personnel mines are being laid far faster than we can pull them out of the ground. This is not just a disarmament issue: it strikes at the very heart of development efforts, and the thousands upon thousands of victims affected every year pose a stark challenge to humanitarian and peacekeeping efforts worldwide.

Canada will host an international strategy session this fall, bringing together like-minded governments, international agencies and non-governmental organizations [NGOs] to provide impetus and direction to international efforts for a global ban on anti-personnel mines. I hope this will help to motivate efforts to build consensus on a strong, forward-looking resolution to the 51st session of the General Assembly. As such, it can provide further impetus to multilateral negotiations for such a global ban.

A third milestone in this area is the Chemical Weapons Convention, the first international treaty that aims for a complete global ban of an entire category of weapons of mass destruction. It is of the greatest importance that it be brought into force as soon as possible. Canada urges all non-signatories to sign, and all signatories who have not already done so to ratify this treaty as soon as possible.

Mr. President, in the aftermath of the Cold War, we have re-examined and redefined the dimensions of international security to embrace the concept of sustainable human security. There has been a recognition that human rights and fundamental freedoms, the right to live in dignity, with adequate food,

shelter, health and education services, and under the rule of law and good governance, are as important to global peace as disarmament measures. We are now realizing that security cannot be limited to the state's domain, but must incorporate civil society.

These realizations stemmed in part from a growing sense of insecurity in response to newly emerging but equally deadly threats — what one writer has termed the "underside of globalization." These include:

 Environmental degradation: Deprivation and depletion of resources cause conflict, while the spread of toxins directly attacks human life.

International crime: Drug traffickers and their allies in money laundering spread misery and destabilize entire

societies.

• Terrorism: The 1994 UN declaration on measures to eliminate international terrorism was the catalyst for a broad range of concrete and targeted measures to combat terrorism. But we still need to tackle the poverty and despair that are at the root of terrorism.

• Lack of equity: Growing disparities in wealth stand in stark contrast to the achievements made in extending a global trade and investment framework, with all its potential for generating wealth.

The recent series of UN conferences in New York, Rio, Vienna, Cairo, Copenhagen, Beijing and Istanbul have served both to define the concept of sustainable human security and to bring home the growing challenges to the security of the individual. The road map is clear; we do not need to study it any further. Now is the time to move forward in a concerted, comprehensive way.

There are already many examples of notable achievements in advancing sustainable human security by the UN system. These range from programs to advance the health of children and provide a framework under international law to protect their rights; strategies to combat environmental threats such as the depleting ozone layer, desertification and the dumping of hazardous wastes at sea; and initiatives designed to advance the needs of development, including the Cairo and Beijing programs of action.

Important as these advances are, there remain far too many paper commitments instead of real progress on the ground. Currently we are swamped by a plethora of agendas, blueprints and plans that run the risk of exhausting the ability of donor nations to respond, while having little impact on those most in need. Too many bodies are established to implement these plans, creating jurisdictional confusion and implementational overlap. We need to recognize that, in the realm of sustainable human security,

governments are not alone. The groups and networks that have emerged around the world representing women, children, indigenous people and disabled people, along with business and finance, are now major players. We need a system of governance that recognizes this, and brings them into partnership with us.

One example of a new system is the Arctic Council, which was inaugurated in Ottawa last week. This multilateral regional body brings together Arctic nations and indigenous groups to co-operate in the sustainable development and environmental protection of a unique and precious part of the globe. The Council represents a new model of international organization, bringing together people and states to share their energy and resources in a common cause.

The upcoming Food Summit organized by the FAO [UN Food and Agriculture Organization] provides another opportunity to combine governmental and non-governmental efforts. Clearly, food security and sustainable food production are among the most fundamental aspects of human security. As a major agricultural producer, Canada looks forward to working with other nations and with non-governmental groups and representatives on solutions to the problem of food security through innovative approaches to technology transfer, financing and land reform.

Recognition of the role of non-governmental actors is not the only sea-change in the economic and social development work of the UN. As private trade and investment flows into developing countries increasingly outweigh the significance of official development assistance, issues such as terms of trade and debt take on an ever-greater importance. At the same time, new and complex issues are emerging, which existing international structures are not well-placed to address. In striving for greater effectiveness, the UN needs to improve co-ordination with other major multilateral institutions. The unprecedented meeting of the heads of the World Bank, IMF [International Monetary Fund] and WTO [World Trade Organization] with the UN Secretary General last June provided welcome impetus in this respect.

One major emerging issue is the relationship between trade and labour standards. We are pleased to see the ILO [International Labour Organization] focus on core labour standards, including work toward an international convention on the elimination of forced labour by children. There can be no clearer example of an issue in which co-operation and dialogue with other international and regional organizations — particularly between the ILO and the WTO — and with non-governmental groups, is required to produce synergy rather than overlap, and effective solutions rather than a plethora of competing agendas.

Sustainable human security means providing basic needs in both economic and political ways. It means ensuring quality of life

and equity, and it means protection of fundamental human rights. Recent intra-state conflicts have demonstrated by negative example that respect for human rights and democratic principles is fundamental to the prevention of conflict and to post-conflict reconstruction. Nowhere has this lesson been learned more clearly or more grimly than in Rwanda and in Bosnia.

Last year, Canada commissioned work on the human rights components of the United Nations field operations. I am pleased to announce today that we will immediately begin creating a roster of qualified Canadian human rights experts available for rapid deployment as part of larger peace-building operations or as individuals to undertake specialized human rights tasks. We look forward to co-ordinating our efforts with those of Norway and others, to ensure coherent, focussed support for UN efforts to address future such complex emergencies.

In 1998, we will celebrate the 50th anniversary of the Universal Declaration of Human Rights. This will be an occasion not only to reaffirm our commitment to its principles, but also to consider further what practical steps remain to be taken by governments to implement them. Canada believes that sustainable human security cannot be achieved without this commitment and effort. One step we will take is to promote, as part of the 50th anniversary preparations led by the UN High Commissioner for Human Rights, an international dialogue on means to combat hate propaganda, so often the trigger of human tragedies such as genocide and "ethnic cleansing."

Mr. President, establishment of the international war crimes tribunals in the Hague for the former Yugoslavia and for Rwanda represent a critical element of the necessary progress we must make in the field of human rights. As part of an ongoing international reassessment of the rights and responsibilities of the individual, these tribunals have affirmed the principle that individuals responsible for atrocities cannot be offered the protection of the state. They signal our determination to hold accountable all individuals who are quilty of committing atrocities, be they officials of the state or extra- or parastate actors. Above all, they signal our determination to break the cycle of hatred. In Central and Latin America, and in South Africa, we can see concrete demonstrations of the importance of justice for past wrongs in the work of reconciliation and reconstruction. It is for these reasons that Canada strongly urges the prompt establishment of a permanent International Criminal Court as a new instrument in the fight against massive human rights violations.

There is one aspect of human rights that my government and I personally have decided to make the utmost priority: the rights of children. Let me take this opportunity to once again thank the Swedish government and to commend the organizers of last

month's World Congress Against the Commercial Sexual Exploitation of Children, which was held in Stockholm. It is Canada's fervent hope that this Congress will lead to implementation of the most effective practical measures, as well as to the adoption and ratification of legally binding international instruments to combat child slavery and the commercial sexual exploitation of children. We should move resolutely to conclude negotiation of the Optional Protocol to the Convention of the Rights of the Child on the Sale of Children, Child Prostitution and Child Pornography.

Bilaterally, Canada is working in partnership with a number of developing countries to protect children, strengthen their rights and assist victims of the sex trade. Education, poverty alleviation and provision of economic alternatives play a key role, and we intend to use our development budget to support these goals. Nothing has given me greater satisfaction as Foreign Minister than my visit to a Canadian-sponsored project in Chiang Mai in northern Thailand. It assists former child prostitutes and children of prostitutes in growing their own food — a very simple project, but one that gives these children a chance to begin new lives.

Mr. President, the concept of sustainable human security requires a commitment beyond respect for human rights to include a commitment to democratic development. The word "democracy" does not appear in the UN Charter, but it is not foreign to the history of this organization, and the promotion of democratic institution-building is entirely consistent with the principles upon which the UN is founded. In the last decade, we have seen the UN involved in the promotion of democracy in many parts of the world, from Cambodia to South Africa to Haiti. Other multilateral organizations also play an important role, such as has been done by the OSCE [Organization for Security and Co-operation in Europe] in the recent elections in Bosnia. Recent conflicts have demonstrated repeatedly the importance of stable democratic structures in promoting sustainable human security. They have also highlighted the need to distinguish between legitimate democratic aspirations and dangerous tendencies toward fragmentation. Attempts to structure political participation around culturally or ethnically "pure" mini-states must be resisted by the international community.

Haiti has been a critical test for the United Nations in promoting democratization as an integral part of enhancing security. It has shown the need for concerted international co-operation in support of democracy, not merely for one leader or even one election, but in the ongoing process of building the institutional and social structures upon which democracy rests. This is where the UN can play a special role, as the builder of peace. We must recognize this, and make the commitments

necessary for the UN to work effectively for long-term peace and stability in Haiti.

Nigeria, Burundi and Burma are among the most recent challenges to our collective ability to support the democratic aspirations of peoples. Canada remains firmly committed to the restoration of democracy in these countries, as well as to working to this end with our partners, bilaterally, multilaterally and within the Commonwealth and La Francophonie. In both Nigeria and Burma, the democratically expressed will of the people must be respected and championed by the international community; otherwise, the legitimacy of our commitment to UN values will be called into question.

Mr. President, the explosion of information technologies presents great dangers but also great opportunities for sustainable human security. Extremist groups can spread their message of hate and intolerance more easily using these new means. And we have only to look to Bosnia and Rwanda to see the tragic effects of a verbal demonizing of one part of the community. Yet at the same time, these technologies have placed powerful tools for the strengthening of civil society in the hands of millions of individual citizens and groups. Governments, too, need to start using these technologies to spread the message of democracy and good government.

The development of information technologies raises many other questions, issues of access, of countering abuses such as the transmission of child pornography, and of the potential impact on development, cultural diversity and economic stability and sovereignty. ECOSOC [UN Economic and Social Council] has mandated a study of these issues. Canada has some expertise in the area in terms of jurisprudence and technological questions, and we look forward to contributing to the debate on the global implications, for good and for bad, of these new technologies.

Mr. President, I have outlined some of the major issues that require conceptual innovation on the part of the UN. The counterpart to conceptual innovation is innovation in renewing existing UN structures and developing new ones. We should not hesitate to eliminate those programs or bodies that no longer serve any useful purpose; to reorient those whose mission requires it; to consolidate and eliminate the duplication and overlap that has developed among funds, programs and agencies. Nor should we hesitate to create new instruments, within existing resources, to deal with the challenges of the day. Reform is more than just cost-cutting, though that aspect must not be ignored. That is why Canada is contributing actively to the work of the Carlsson Group of 16 countries drawn from around the world, which is dedicated to strengthening compliance with the obligations of the UN Charter, and to accelerating the pace of multilateral renewal.

Our first priority is the ongoing financial crisis that the UN faces. We have seen some encouraging progress in the establishment and early results of the Efficiency Board, and in a second year of zero overall budget growth. Perhaps more importantly, there is a growing awareness of the need for financial and administrative restructuring. But much remains to be done. I cannot simply content myself here with calling yet again for all members to pay their dues unconditionally — in full and on time. I have to ask why it is that over half of the members are failing to meet this standard, and some are failing entirely to pay. Pressures on government budgets is no excuse; Canada has in recent years undertaken some of the most severe expenditure cuts of any developed country. Yet we maintained our commitment to pay our UN dues in full and on time, because we believe that the UN responds to key international priorities.

Perhaps some members are withholding dues as a form of blackmail, hoping to pressure the UN into reforms through fiscal starvation. This is both wrong-headed and short-sighted. An organization in crisis will not have the energy required to tackle genuine reform. What is required here is political will, both in paying dues and in moving forward the difficult task of reviewing the scale of assessments to better reflect capacity to pay. Canada hopes that others will join us in demonstrating that will during the current session of the General Assembly.

Another priority is to strengthen the effectiveness of the Security Council by giving it greater accountability, representativeness, transparency and responsibility. Canada attaches particular importance to the need to ensure meaningful participation in decision-making by those members whose nationals — military or civilian — are in the crossfire of the conflicts over which the Council is deliberating.

The Council needs to address two issues: its role and its composition. On the former, if the Council is to come to terms with the more complex nature of international peace and security, it must be prepared to assume a greater role in conflict prevention. This will require co-operation among the Security Council, other branches of the UN system, and other governmental and non-governmental actors in identifying and addressing emerging crises.

On the latter, the Council can address those criticisms of it as a closed body whose membership does not fully reflect changes in the world since 1945, by increasing the number of seats. The distribution of those seats should take into account in the first instance the contribution of members to the broader purposes of the UN Charter, and also the need for equitable geographic representation. Membership has its privileges, but more importantly, it brings with it a special responsibility and commitment to the principles of the UN Charter and to sustainable

human security. Expansion of the Council that does not reflect this need will result in a further eroding of its legitimacy and the credibility of the UN system as a whole.

Equally important is the revitalization of the General Assembly. The UN General Assembly is the one body that brings together on an equal footing all nations of the world in their full diversity. It represents on a global scale both the essence and the challenge of democracy. There is no better place for consensus to be developed and decisions taken on the new human security agenda. But this will require a change of outlook and of culture, and a move away from general plans of action to the actual work of implementation. The General Assembly needs to take the lead in promoting sustainable human security, which combines the need to husband natural resources, to generate growth and to ensure equity and peace.

Mr. President, I have outlined today some of the steps that Canada has taken to advance thinking, improve existing practices and develop new ones. And I know that other member states have been working to the same end. We now have many options to consider and discuss.

But plans, proposals and studies are not enough. The poet Yeats said "in dreams begin responsibility." It is easy to dream; it is harder to act. We have a renewed vision of multilateralism, and a renewed mandate not just for the prevention of conflict, but for the nurturing of peace. We have started work on making that vision a reality. We all recognize how daunting this task is as we embark upon it; but we must persist, for the task is as vital as it is difficult.

We must show ourselves capable of restoring the spirit of 1956 when, in the deepest freeze of the Cold War climate, the UN gave birth to peacekeeping, and changed international relations forever. We need to find in ourselves the ability and the will to innovate, and the persistence to implement our innovations. It is in the interest of each one of us, as much as it is in the interests of all of us, to do so.

Thank you.



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CHECK AGAINST DELIVERY



NOTES FOR AN ADDRESS BY

THE HONOURABLE ART EGGLETON

MINISTER FOR INTERNATIONAL TRADE

ON THE OCCASION OF

THE CANADIAN ASSOCIATION OF UNIVERSITIES AND COLLEGES'

ANNUAL GENERAL MEETING

HART HOUSE, UNIVERSITY OF TORONTO

TORONTO, Ontario October 2, 1996







Not far from here, at Victoria College, carved over the entranceway to that great old building, is the ageless reminder that "the truth shall make you free." The search for truth is quite properly the pith and purpose of a university or college education.

But, as has been observed, the greatest enemy of truth is not always the lie - deliberate, contrived and dishonest - but the myth - persistent, persuasive and plausible.

Today I would like to speak with you about the power of two myths that are holding us back.

The first is the myth that there are no jobs for our young people. That they are not going to have the opportunities that we did. That they are destined to lead lesser lives in a lesser land.

That myth is wrong.

To take a few examples in just one field, the Software Human Resources Council estimates that there will be 20 000 unfilled jobs in the software industry by 1997. Also Star Data Inc. of Markham, which produces terminals used by investment brokers to get stock quotes, expects to hire 80 people this year. And in Ottawa, according to the Manager of Staff and Development at the software company Cognos, they are looking for 45-50 people.

Let me tell you what I am seeing from my vantage point as Minister for International Trade.

As I travel abroad, I see a world bursting with new opportunities. New challenges. New chances.

I see barriers that had held back former generations giving way to the twin impulses of democracy and freer trade. I see markets opening up that we could only dream of having access to only a few short years ago.

I also see in many parts of the world how highly regarded Canadian graduates and Canadian schools are. Every year, the Microsofts of this world are recruiting many of our best and brightest because they are the best and the brightest not just in Canada but in the world.

I see how our country's trade figures are soaring to record surpluses, as Canadians take on the world and win. And I see the effects of their success on jobs and growth here at home.

One job in three in this country now depends on trade. International trade has become the engine powering our economy, representing already 37 per cent of our GDP [gross domestic product]. And year after year, our successes multiply.

We have established ourselves as a trading power around the world, and with more markets opening up everyday, the opportunities and the possibilities are truly breathtaking.

And yet, when I return to Canada from abroad, a somewhat different picture emerges. Instead of seeing the world as their oyster, many of our young people are looking to the future with fear and frustration.

Far from seeing the benefits of freer trade, they see globalization as something to be feared — as a stealer of jobs and an agent of displacement.

It is so frustrating to see these young people despondent because they do not see what I see. As someone who shares your faith in our youth, I find myself asking questions like "what can I as a Minister do to change their world view? What can governments do? What about academia and business?"

And this misconception about the lack of jobs must be addressed head on. Because this myth is not only debilitating, it is dangerous — since a generation without hope is a generation without purpose.

And while this angst is out there among our youth, many of our business people are tearing their hair out looking for qualified graduates to fill exciting, high-paying jobs both here and abroad.

Clearly, something is wrong.

I was speaking with the President of a leading aerospace company here in Toronto. He was telling me two things: first, they can't find enough people with the proper skills and second, that those with job-specific skills lack versatility and adaptability.

I hear those kinds of concerns time and time again from companies, large and small, that are desperately looking for qualified people to fill existing demand. And how many times have I heard that a company is having difficulty expanding because it cannot find the right people?

And it is not a question of liberal arts versus applied study, it is a matter of producing students grounded in both.

So we have a greater need now than we have ever had for students who can think critically, analyse carefully and communicate clearly — the very hallmarks of a liberal arts education.

And in an ever more interconnected world, the ability to speak another language or understand another culture, or appreciate another's history, will be highly valued assets — it is certainly

the case in international trade where, for example, the markets of Asia and Latin America are emerging as the major market opportunities of the world.

Far from being a luxury we cannot afford, the development of versatile, adaptable and innovative citizens is an asset we can no longer forgo.

Recently, York University released a study that confirmed these same impressions. The study suggests, among other things, that universities are spending too little time teaching these types of skills. It talks about students with subject-specific skills who couldn't write a report to save their lives.

And if we needed further evidence of this problem, there is the Conference Board of Canada's "Employability Skills Profile," created by employers, which lists the major elements required for success in the job market.

Topping the list? Communications skills, thinking skills and learning how to learn. It seems that Marshall McLuhan was right when he predicted that we would not just have to earn a living but to "learn a living" in the future.

So it seems to me that one of the keys to breaking the myth that there are no jobs is to supply students with the skills they will need to fill the jobs that are already out there. And we have to point them in the direction of the jobs of tomorrow.

In this effort, I can see a role for government in helping to identify the sectors of our economy with the greatest potential for growth and employment. In my department, International Trade, we have information, which we have gathered from sources across the world through our foreign missions, about the areas of most promise and growth, and about where the jobs of tomorrow will come from.

We have identified a number of areas that are already experiencing explosive growth and others that are poised to do the same. There are areas you might think of right away, like telecommunications and environment industries; and areas you might not think of, like aerospace and agri-food products.

The question is how best to get this information into the hands of those who can use it most: businesses, universities, high schools, guidance counsellors and students.

We have a variety of tools available to us. Surely we can make better use of vehicles that get the message out. Let's say these are the places to be in the coming years. That if you get into these fields, do business with those countries, you'll be able to write your own ticket.

This is the way to debunk the myth of no jobs or opportunities.

The second myth, and it is very much related to the first, is the notion that education doesn't matter any more. Why knock yourself out getting through college or university when there's nothing waiting for you at the end of it?

You and I have the obligation to fight this myth with facts.

We have to repeat the simple message over and over, that there is a strong correlation between education and employment.

The facts are clear: for those with a college or university education, the unemployment rate is consistently lower than for those with high school or less. And since 1992, the unemployment rate for those with post-secondary education has actually been declining.

So education brings jobs; and for those with the right education in the right areas, it brings possibilities and opportunities beyond our imagination.

So these are the myths that must be conquered. But identifying them is the easy part. The real question is: what can we do about them? Let me raise some questions for you to consider.

Clearly, one of the keys to dispelling the myths is better information and better sharing of that information.

One area of promise is connecting business and academia in a more co-ordinated way. To be sure, over the past few years, we have seen a number of exciting partnerships between post-secondary institutions and the private sector. Centres of excellence, joint research projects, business-sponsored scholarships, special work terms — all of these and more are big steps in the right direction.

They recognize the need to match the programs you offer with the needs businesses have. But now we have to ask ourselves how to take these efforts to the next level.

How do we ensure a supply of skills equal to the demand? And how do we ensure a match of skills to the sectors we've identified — the sectors of most growth and opportunity?

And how do we ensure that all of these various programs work in harmony to contribute to a strategy that is coherent and effective?

I wonder if we could not form a new partnership among businesses, academia and governments, so that there is a co-ordinated approach based on a common understanding of the opportunities.

One such alliance might see associations such as yours paired with the Alliance of Manufacturers and Exporters and officials from my department so that we may address the challenges we are facing.

And it seems to me that if we in government share the information we have about the growing areas of our economy, this would benefit not only businesses, but also your students, who would know where to focus their efforts.

This co-operative approach has worked well on the "Team Canada" trade missions abroad, when the federal and provincial governments joined forces with businesses to generate deals worth an estimated \$20 billion for Canadian companies. And it is estimated that for every \$1 billion of new exports, 11 000 Canadian jobs are created or sustained.

Why can't that Team Canada approach be applied to education? Why can't we join forces to ensure that our businesses have trained personnel and our graduates have jobs?

I mentioned a moment ago the problem of losing our best and our brightest to international companies, usually American, which make our students offers that Canadian companies can't hope to match.

What's the best way to keep our kids in Canada? Do we need another program like we had after the Second World War, to provide the opportunity for training and retraining?

I'm open to your ideas, and as a Minister who is committed to doubling the number of active exporters by the year 2000 — and that means jobs — I ask you to share your ideas with me. You can write me or reach me on the Internet. My address is: eggleton.tph.ca.

The twin myths — that there are no jobs and that education doesn't matter — have held sway long enough. By co-ordinating our efforts, combining our resources and concentrating our focus, we can help to show the way to our youth.

I am confident that if we act in concert, we can bridge the chasm between the world I see and the world many of our young people fear.

By uniting our efforts, we can be like the sailor who is sent to the highest mast and, from that vantage point, sees the shore when all those below see only ocean. Our task is to report on the opportunities ahead so that others can steer in the right direction.

Thank you.





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CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY

THE HONOURABLE LLOYD AXWORTHY

MINISTER OF FOREIGN AFFAIRS

BEFORE THE PARLIAMENTARY SUB-COMMITTEE

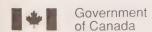
ON SUSTAINABLE HUMAN DEVELOPMENT

OF THE STANDING COMMITTEE ON FOREIGN AFFAIRS

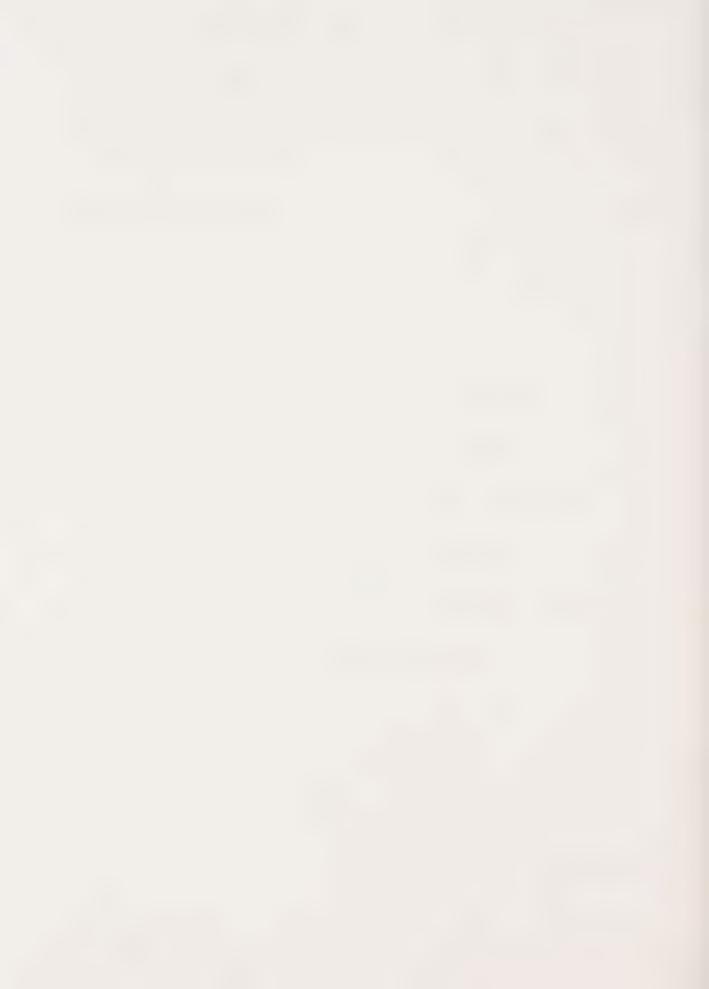
AND INTERNATIONAL TRADE



OTTAWA, Ontario October 2, 1996







Mr. Chairman,

I am pleased to have this opportunity to speak before the Sub-Committee on Sustainable Human Development. The forum that you have organized is of great importance both because of the gravity of the issue you are addressing, child labour, and because of the consultative approach you are using, bringing together government, NGOs [non-governmental organizations] and the private sector in an area where all have significant contributions to make. I look forward to receiving recommendations from the Sub-Committee, which I am sure will be instrumental in the formulation of the Government's policy. My intention today is to provide you with a brief overview of where we stand currently on child labour, and where we are heading in terms of future work.

The abuse of children is a violation of basic human rights that outrages the instincts of fairness and decency shared by Canadians.

In the last Throne Speech, the Government of Canada made the rights of children a priority in setting both Canada's domestic and its foreign policy agenda. Domestically, we must make sure that we live up to our commitments under the UN Convention on the Rights of the Child, that we are looking after our own children's welfare. On Monday, I was in New York to participate in a ceremony organized by UNICEF marking the mid-decade review of the World Summit for Children. Canada submitted its Mid-Decade National Report. While the record inevitably varies, I was heartened to see, from the mid-decade reviews submitted for some 90 countries, that there has been significant progress for children toward meaningful, measurable targets.

In addition to helping Canadian children, we need to help children overseas, children who are all too often the poorest in their home societies, the most abused in terms of human rights, and the most powerless. The Convention on the Rights of the Child was designed to redress their condition of poverty and powerlessness. It is a welcome sign of the world's commitment to its children that 188 countries have signed the Convention. This commitment must be translated into action. The Convention must not only influence the drafting of any new legislation or policy relating to children internationally, but also provide impetus for enforcement. Many governments have excellent legislation to protect their children, but no resources to enforce it.

Here in Canada, we have been working hard to make children's rights a key foreign policy priority. The appointment of Senator Pearson as Special Advisor on Children's Rights is a demonstration of our commitment. We are also working with other countries, NGOs and interested parties such as the International Labour Organization [ILO], the World Bank and the Asian Development Bank to address these problems head-on.

Government Action on Child Labour

The aspect of children's rights that you have chosen to focus on, child labour, is a complex and wide-ranging one. Exact numbers are not known, but it is estimated that worldwide, between 100-200 million children under the age of 15 are working. Child labour in the export sector represents only 4 to 7 per cent of all child labour globally, with most children working in agriculture, small industry and domestic service. This is why punitive unilateral trade sanctions are unlikely to be effective in controlling child labour. They also risk driving the problem underground, forcing children into even more dangerous situations.

Child labour is rooted largely in poverty, but is also influenced by culture and traditional social practice. The eradication of abusive forms of child labour does not lend itself to easy solutions. Simply putting children out of work is not the answer: there must be alternatives for ensuring their education and care, and the income of their families. Many may have lost all contact with their families and will need housing assistance.

Development co-operation with an emphasis on reducing poverty and meeting basic needs is central to Canada's efforts to attack the root causes of abusive child labour. I recently visited a Canadian project in northern Thailand. By the simple expedient of providing children with assistance to grow their own food, children who were the offspring of prostitutes or who, in some cases, had been prostitutes themselves, were given the possibility of beginning new lives.

My Cabinet colleague Mr. Pettigrew will expand on ODA [Official Development Assistance] initiatives when he meets with you tomorrow, but I would like to outline briefly the three areas where we have deployed our development assistance to overcome the problem of child labour. First is affordable access to primary education, with particular attention to girls. Second is improving the status, role and economic security of women as equal partners in development. These measures directly promote the well-being of children. Third is support for good governance. This is essential if governments are to advance social development goals in partnership with civil society, and enforce existing laws and regulations governing the employment of children. We have also supported a number of projects that specifically help children who are most vulnerable to abuse under systems of child labour.

In February, for example, Canada made a contribution of \$700 000 to the ILO's International Program for the Elimination of Child Labour. Canada's contribution will be used to develop, test and implement training in and use of best practices for the

elimination and reduction of child labour, in concert with countries that are committed to ending the practice domestically.

We have also consulted Canadians extensively in order to seek input from a wide variety of interested parties on child labour. Last March, I participated in a broad-based general consultation, co-chaired by Senator Pearson, with UNICEF-Canada, NGOs, students and representatives of the private sector.

Our consultations have confirmed that there are four aspects of child labour where development assistance needs to be reinforced by international initiatives. These are commercial sexual exploitation of children, children working in unsafe conditions, children as bonded labour, and children in armed conflict.

Principal Areas Requiring Action

On the issue of children in the sex trade, in August Senator Pearson, the Honourable Hedy Fry and I attended the World Congress Against the Commercial Sexual Exploitation of Children in Stockholm, along with 700 representatives from 119 countries, over 100 participants from UN and other international organizations, 500 NGO and youth delegates, and 500 media representatives. As I said to these delegates, "it is hard to believe that, on the eve of the 21st century, we still find ourselves trying to deal with a form of slavery. And there is, in the sexual exploitation of children, a very real degree of modern-day slavery..."

The high degree of participation at the Congress indicates the level of interest and commitment to this issue, but the success of the Congress will be measured ultimately by the extent to which the commercial sexual exploitation of children declines. In the interim, a measure of its success will be the extent to which the Declaration and Agenda for Action approved at the Conference are implemented. Here in Canada, an interdepartmental committee will follow up on the Agenda for Action. It met on Monday for the first time. I would like to take this opportunity to table the Declaration and Agenda before the Committee.

As I said in Stockholm, we must use information technology to share information, while making sure it doesn't become a new tool in the arsenal of those committing the crime. Canada is looking at supporting the efforts of other governments against the commercial sexual exploitation of children through extended use of INTERPOL, exchange of data and training of law officers. Senator Pearson is co-ordinating inter-departmental efforts in this area.

We are also working with the UN Commission on Human Rights on the development of an optional protocol to the Convention on the Rights of the Child, with respect to the sale of children, child prostitution and child pornography. This Protocol will require countries to criminalize the sale of children, child prostitution and child pornography, and to extend their jurisdiction extraterritorially.

And, as you know, Bill C-27 was tabled on April 18 proposing amendments to the Criminal Code to allow for the prosecution of Canadian citizens and permanent residents who engage in commercial sexual activities with children while abroad — a practice commonly known as "sex-tourism."

On the issues of work in unsafe conditions and bonded labour, Canada was active in the decision taken in March by the ILO to work toward a new convention eliminating the most egregious and harmful forms of child labour, and in particular bonded labour, for adoption in 1999. The objective is to produce a binding instrument banning the most intolerable forms of child labour:

- on the one hand, forms of labour or activity that are contrary to fundamental human rights such as child slavery, forced labour, bonded labour or other slavery-like practices; exploitation of children for prostitution or other illegal sexual practices; and the use of children in drug trafficking or the production of pornography;
- and on the other hand, work that exposes children to particularly grave hazards to their safety or health, or prevents them from attending school normally.

We have done some research on the use of trade measures to deal with bonded labour, but concluded that this would contravene our commitments under the WTO [World Trade Organization]. This is why an ILO Convention on the elimination of forced labour by children is so important, as it would provide us with a legal basis on which to act. As I reiterated last week at the UN General Assembly in New York, there can be no clearer example of an issue in which co-operation and dialogue with other international and regional organizations — particularly between the ILO and the WTO — and with non-governmental groups, is required to produce synergy rather than overlap, and effective solutions rather than a plethora of competing agendas.

A final area of concern is the situation of child soldiers, an especially dangerous form of child labour. The UN Commission on Human Rights has created a working group, in which Canada has participated, to develop an Optional Protocol to the Convention on the Rights of the Child on the situation of children in armed conflict. Another important step will be the release early next

month of a report by the UN Secretary-General's Expert on Children in Armed Conflict, Ms. Graca Machel.

We are also giving attention to children in post-conflict reconstruction and transition economies. Children are victims, in disproportionate numbers, of injuries involving landmines. As we have seen in Bosnia and Somalia, they are also tragically subject to post-traumatic stress. I will be opening an international meeting tomorrow here in Ottawa to provide impetus for work on a global ban on land mines.

Conclusion

In summary, the Government's immediate priorities on international child labour issues are child prostitution and sexual abuse; bonded labour and occupational health and safety; and children in armed conflict. These are the areas where I hope we can really make a difference and where I hope your committee can assist with recommendations.

But child labour is not just an area for government action; it is one where ordinary Canadians can also make a difference. Consumer education, voluntary codes of business conduct and consumer-choice schemes are possible tools; a forum such as the one you have organized provides the ideal opportunity to work with the private sector and community groups to develop these tools. I encourage the committee to pursue these possibilities with business and labour groups in your discussions this week.

In the areas of consumer choice, we have consulted with a number of experts on the issue of labelling schemes for carpets, including with UNICEF. I am pleased today to table an executive summary in French and English of a study that was produced by UNICEF-Canada under contract with my department, in order to assist my department in determining a Canadian policy toward Rugmark. We are now in the process of reviewing the findings of the study. Because there is significant public interest in this document, I have asked that the study be translated, and an English and French version will be forwarded to this committee by the end of next week.

The Government has also used meetings and round tables to discuss with the private sector the possibility of voluntary codes of conduct, such as that adopted by Ontario Hydro. Its Code of Ethics opposes the exploitation of the labour of children and young persons and requires compliance "with all the applicable domestic and international standards for the employment of young people."

Another innovative approach to consultation can be seen in the work of Senator Pearson to bring together children from around

the world in an international symposium, in which they themselves could discuss children's rights and propose their own solutions.

Mr. Chairman, the 50th anniversary of UNICEF will, I hope, be an opportunity for Canadians to reflect on the need to make children's issues a priority in our communities and to develop community-based responses. It is not up to governments alone to act. And all of us, governments and communities, must not only engage in debate, but also take action on solutions.

Realistically, we know how difficult the task is in light of our limited resources. We will have to assess carefully where we can make the most difference, and then act in those areas. We encourage Canadians, including those gathered here for today's forum, to do the same.

Thank you, Mr. Chairman.

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CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY THE HONOURABLE LLOYD AXWORTHY MINISTER OF FOREIGN AFFAIRS TO THE INTERNATIONAL STRATEGY CONFERENCE

TOWARDS A GLOBAL BAN ON ANTI-PERSONNEL MINES

OTTAWA, Ontario OCTOBER 3, 1996





Distinguished guests and delegates:

I am pleased and honoured to welcome you to Canada and to this strategy session, which is designed to catalyse global action to ban anti-personnel mines. I am particularly glad to see so many participants from countries most affected by anti-personnel mines — those who are most keenly aware of the horrors they inflict.

Here in Canada, it is all too easy to slip into thinking that mines do not really affect us, that they are a distant problem. Yet only three months ago I was speaking to the mother of Christopher Holopina, a young Sapper in the Canadian Forces who was killed in Bosnia when his vehicle ran over a land mine. We cannot bring back those, like Christopher Holopina, who have died, but we can work to build a fitting monument to their memory, by taking action on a global ban.

We should recognize that much of the impetus for a ban has come from those, be they victims, NGOs [non-governmental organizations], or international agencies, working in the field. In North America, it has come from people such as Brian Isfeld, who is now working with the Landmine Survivors Network to raise public awareness in Canada about anti-personnel mines, after his son Mark — a member of the Canadian Military Engineers — was killed by a land mine in Croatia. We owe an incredible debt of gratitude to millions of people around the world and, in particular, the International Campaign to Ban Land Mines, the ICRC [International Committee of the Red Cross] and UN agencies. They spoke so articulately, convincingly and relentlessly that, today, there are more than 70 countries committed to a ban.

It is clear to me that the passionate commitment of this community of organizations and individuals was instrumental in creating a momentum behind this issue that has few parallels in the history of international security and disarmament. I believe that we are seeing the emergence of a new mode of international co-operation, in which citizens, non-governmental groups, international agencies and national governments join together in a genuine partnership that makes things happen. Just three weeks ago in Ottawa I attended the opening of the Arctic Council, a unique new international body, in which indigenous groups work in full partnership with governments on the protection and sustainable development of a region that they, as residents, know better than anyone else. In the same way, this meeting will, I hope, demonstrate the synergy that arises from the democratization of international co-operation.

Why Land Mines, Why a Ban?

Today, we are here to take the first steps toward a global ban on anti-personnel mines. The reasons why are well known to you all.

In 70 countries around the world, more than 100 million land mines continue to fight battles that ended months, years and in some cases many decades ago. Some estimate that anti-personnel mines kill or injure 500 people per week, 90 per cent of them civilians, too many

of them children. Around the world, over a quarter of a million people now live with the emotional and physical scars caused by land mines.

But mines do much more than kill and injure thousands of innocent people each year. They terrorize and impoverish entire communities, they burden developing countries with the special and costly needs of victim assistance, and they fuel the flames of conflict as communities are forced to re-experience the horrors of war one victim at a time.

Unfortunately, the incredible courage and personal sacrifices of those working to assist victims or clear mines is often overshadowed by the burden of knowledge that the international community is losing the struggle against anti-personnel mines.

While we may clear as many as 100 000 land mines per year, another two to five million new land mines will be deployed. While we spend millions a year on land mine victims, there are some 70 new victims every day.

Developments at the UN

Despite these grim statistics, we should not lose hope. Last week in New York at the UN, I hosted and attended some of the most encouraging meetings that I ever been to as Foreign Minister. Above all, I was delighted to see how many countries have newly joined those working on the steps to be taken towards a total ban.

In the General Assembly, speaker after speaker took the podium to commit themselves to a global ban. The United States will be leading our efforts to present a strong resolution to the UN General Assembly, calling for such a ban; our main purpose in meeting here today is to provide all the support we can to its efforts. We want to ensure that our resolution has an overwhelming list of cosponsors, to demonstrate that the ban is real and that it is imminent.

At the same time, I met with many colleagues individually and collectively to discuss how we could move forward together to promote a ban, to help victims, and to clear mines. With my Japanese colleague I discussed ways of co-ordinating our efforts on de-mining. From Germany's Klaus Kinkel I heard interesting ideas on sponsoring co-operation between our industries to improve de-mining technology. South Africa put forward useful, practical proposals for getting rid of the many land mines in its region. I expect that we will hear more about these ideas and proposals in the coming days.

In all my discussions, it was clear that there is an unprecedented welling-up of enthusiasm and commitment. I believe that there is now the political will in the international community necessary to take

collective action to end the scourge of anti-personnel mines. The proof of this commitment is your presence here.

Challenges Ahead

- I believe the international community faces two sets of challenges:
- The first is to reduce the use of anti-personnel mines while we work - quickly - to secure a global ban on anti-personnel mines.
- The second is to deal with the destructive legacy of land mines: this means identifying the resources to clear anti-personnel mines and provide care for land mine victims.

Both sets of challenges require urgent attention.

The UN, NGOs and groups of mines experts have been increasingly involved in de-mining efforts in recent years, often at high personal risk. Canada is proud of the role that our own armed forces and NGOs have played in de-mining efforts in many parts of the world. We salute the brave work of the men and women of all nations involved in this dangerous task.

In this context, I am very pleased to announce today that Canada will be making additional contributions of some \$2 million to advance the work of de-mining in different parts of the world. My Cabinet colleague Pierre Pettigrew will outline for you this afternoon how this money will put to work.

I am also pleased to announce that we will be sponsoring a Canadian seminar on de-mining technology and assistance to victims in Winnipeg in early February. The seminar will focus on enhancing Canadian capacity in both areas and will be targeted to Canadian NGOs and the Canadian private sector. And as of next year, Canada's Pearson International Peacekeeping Training Centre will be incorporating a land mine awareness module into all its courses.

Our task now is to follow up on the Copenhagen Conference on demining. I look forward to the report on the Conference which will be presented during our meeting, and I know that others here have concrete proposals about where we go next. As part of this discussion, I propose that we consider the possibility of setting up a working group of technical experts to focus on developing cheaper and less dangerous means of de-mining.

My conversations with colleagues from affected states and donor countries lead me to believe that these are areas where we can develop partnerships with other states, with NGOs and with the private sector, particularly in terms of assistance to victims.

I am also convinced that if we can make real progress on the ban agenda — the political agenda — it will have a direct and positive

effect on efforts to deal with human agenda — clearance and victim assistance. That is why the purpose of this meeting is to galvanize and catalyse international action to negotiate a global ban on antipersonnel mines.

I hope that the international community will move with deliberate speed and a clear sense of purpose to these negotiations. Canada is not prepared to see process road-blocks thrown in the way of launching and quickly concluding a convention banning land mines. The signs are positive. A broad-based group of like-minded countries, NGOs and international agencies have already taken the decision to act: whether through national policy restrictions on use or concerted campaigns to build public awareness and provoke international action.

At the beginning of this year, when Canada announced its moratorium on use, production and export, we were in a group of less than 10 countries with such restrictions. Since then, dozens of countries have made changes in national policy: some key producers — such as Italy and Brazil — have stopped producing; many countries have stopped exporting mines; land-mine-affected states have committed themselves to a ban; and many important countries have placed restrictions on use. Yesterday, my colleague the Minister of Defence announced that Canada will be cutting its inventory of land mines by two-thirds, effective immediately.

I would suggest that the trend is pretty clear. Can we sustain and build this momentum? I believe we can. I believe we are firmly on our way to a ban, given the overwhelming support of the international community and the convergence we are seeing in the aims and efforts of states, regional organizations, the United Nations, parliamentarians and NGOs around the world.

Conclusion

The convergence of efforts of every individual and every group here today forms part of that momentum that will bring us to a global ban. But I would like, if I may, to close by reaching out to one group in particular, to the young people among us and outside these walls.

A ban on land mines is a promise of a more secure future; as such, it is an issue of direct concern to all young people. Moreover, by adopting this issue as theirs, young people will bring to bear their special capacity to move the process forward, to change the international agenda. As the Italian philosopher Calvadossi said, "There is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success than to take the lead in the introduction of a new order of things." It is young people who have the strength, the hope and the vision of the future to bring about a new order, one in which land mines are no more than a grim and distant memory.

Thank you.



CA1 EA -577

Statement

96/41

CHECK AGAINST DELIVERY



NOTES FOR AN ADDRESS BY

THE HONOURABLE LLOYD AXWORTHY

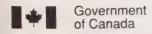
MINISTER OF FOREIGN AFFAIRS

AT THE CLOSING SESSION OF THE

INTERNATIONAL STRATEGY CONFERENCE

TOWARDS A GLOBAL BAN ON ANTI-PERSONNEL MINES

OTTAWA, Ontario OCTOBER 5, 1996







Good afternoon and congratulations on what I understand was a very productive meeting.

The Ottawa Declaration is a strong and clear call for urgent action toward a global ban. This declaration is now the common vision and collective commitment of 50 countries, numerous NGOs [nongovernmental organizations] and international agencies representing a wide and important cross section of the world's peoples. The action plan you have developed demonstrates that we are willing to go beyond grand statements of principle and that we are now ready to take concrete steps. I particularly welcome the fact that the plan is comprehensive in scope. We will all be going to the United Nations to ensure that a resolution is passed, with as many supporters as possible, to add to the momentum. We will continue our efforts in de-mining and victim assistance. I point again to Canada's upcoming conference in Winnipeg on these issues, the meeting of technical experts on de-mining to be held in Germany, and the very important conference to be hosted by Japan in March. The meeting that Belgium has agreed to host in June to follow up on our work will be another important milestone. Germany, Norway and Switzerland have also indicated their readiness to take a lead role in moving our work forward.

What this forum has also made clear to me is that we now have the necessary momentum to move forward. You have identified an agenda, and you have discussed a clear process to a ban. The states around this table and elsewhere in the world community who share our goal can make this a powerful global force if we are prepared to channel it.

I am proud that you consider this meeting to have been a success, even an historic one. I believe, like many of you, that the time has come to go further.

I am convinced that we cannot wait for a universal treaty. I am convinced that we can start now, even though we may have to proceed with a treaty that does not, in the first instance, include all of the states of the world. Such a treaty can be a powerful force that establishes the moral norm — that the production, use, stockpiling and transfer of anti-personnel mines is to be banned forever. And I believe it will have a broad-based range of adherents. Making it universal will be the ongoing challenge for each of us.

And so Mr. Chairman, I have one final point to add to your action plan. That point comes in the form of both an invitation and a challenge. The challenge is to see a treaty signed no later than the end of 1997. In the coming days, I will be writing to your ministers and to others not represented here to seek their views on how we can move ahead together. I will tell them that if the will is there, Canada is prepared to convene a meeting in December 1997 to sign such a treaty.

The challenge is to the governments assembled here to put our rhetoric into action. Indeed, we know that several of you, like

Austria, have already started work on a treaty. Canada wants to work with you and to sign a treaty with those countries that are genuinely committed to this cause, whatever the number: 50, 70, or 100.

The challenge is also to the International Campaign to ensure that governments around the world are prepared to work with us to ensure that a treaty is developed and signed next year. This is not farfetched. You are largely responsible for our being here today. The same effective arguments you used to get us here must now be put to work to get foreign ministers here to sign the treaty.

And so, today, I commit Canada to this goal, to work with our global partners to prepare a treaty that can be signed by December 1997 and implemented by the year 2000. I invite and challenge all of you to join with us to attain that goal.

As many of you have noted, such a treaty need not be complex. It is at its core a simple matter. We cannot allow negotiations to fall into traditional habits and approaches. These are not strategic offensive weapons. Anti-personnel mines are essentially defensive. That is why this is not a traditional arms-control negotiation. It is a humanitarian issue. These weapons kill daily.

We will work to elaborate a text of such a treaty with any and every other like-minded country. All of the events and opportunities identified in the action plan can complement these efforts. We are prepared to begin work now, to be ready to discuss a text the next time we meet in Belgium, and to finalize that text later in the year in Canada. The Secretary-General of the United Nations, Mr. Boutros Boutros-Ghali, phoned this morning. When he learned the outcome of the conference and my invitation to sign in Canada in December 1997 a treaty banning anti-personnel mines, he expressed his full support.

I am convinced that the real possibility of a treaty by a fixed date — not some far-off hope for an agreement at some date in an uncertain future — will exploit the unprecedented momentum that we now enjoy, and will make it easier for countries to take the necessary national decisions that will make our group larger. It will make our movement stronger and the chances of success better.

Ladies and gentlemen, we have a straightforward choice. We can, as Senator Leahy said, remove 100 million mines, "an arm and a leg at a time." Or we can act. There is momentum, there is political commitment, and, most importantly, the peoples of the world support what we are trying to do.

For all of these reasons, we believe that a global ban is within our reach. Each of us can reach out together, as Mr. Lewis has said, to "civilize the human condition." Much work needs to be done, but my country will do everything it can and will work with all of you so that we can return here in 1997 to make our common goal a reality.



CAI EA S77 Statement

96/42

CHECK AGAINST DELIVERY

THE HONOURABLE ART EGGLETON,

MINISTER FOR INTERNATIONAL TRADE,

ON THE OCCASION OF THE SECOND READING OF THE BILL TO

AMEND THE CANADA-ISRAEL FREE TRADE AGREEMENT



OTTAWA, Ontario October 9, 1996



Government of Canada

Gouvernement du Canada





Mr. Speaker,

It is an honour for me to speak to this Bill, which will bring into force the Canada-Israel Free Trade Agreement.

This historic agreement is both significant and symbolic: significant because it marks the first free trade agreement that Canada has signed with a partner outside this hemisphere, and symbolic because it stands as further evidence of Canada's commitment to freer trade around the globe.

It sends a very clear message: Canada is ready, willing and able to trade with the world.

And with this Agreement, we will stand on the same footing as the European Union and the United States, both of which have already signed free trade agreements with Israel. For the first time, we will have direct access to the Israeli market, without having to funnel our trade through the United States or any other country.

Mr. Speaker, the globalization of markets is one of the great waves of history. It is one that Canada cannot afford, and does not intend, to watch from the shores.

In today's ever-changing world, no nation, however rich or powerful, can long remain isolated from the great economic currents of the day. Markets are opening up, barriers are falling down and the free movement of goods, services and ideas, is becoming unstoppable.

Today, Canadian companies quite rightly see the world as their marketplace and the opportunities are boundless. We are vigorously and successfully winning new markets and opening new doors.

As a result, our balance of trade with the nations of the world has tipped dramatically in Canada's favour, to a record surplus of over \$28 billion in 1995.

Part of the success we have realized to date is due to the co-operative approach that this government has taken since coming to office. New partnerships have been created in every province to provide better export services to Canadian businesses, with particular emphasis on the dynamic small and medium-sized enterprises.

We have also benefitted from the "Team Canada" trade missions abroad, which joined federal and provincial governments with the private sector to present a united and common front in searching out new opportunities for Canadian companies.

To date, these Team Canada trade missions have produced \$20 billion in contracts for Canadian companies — companies that

will be hiring more people in Canada to fill those contracts as well as to help develop new ones.

All of these activities, Mr. Speaker, I believe reflect a fundamental change in how Canadians view freer trade. We have come to realize that there is far more to be gained from globalization than to fear from it.

We have come to realize that freer trade is the key to expanding Canada's — and the world's — economy. More to the point, it creates and sustains jobs — lots of jobs. In fact, one job in three in this country now depends upon trade. One in three! And trade accounts for about 37 per cent of our entire GDP [gross domestic product]. Quite simply, trade with the world has become the economic engine of Canada.

So the choice before us is clear: we can expand and diversify our trade, or we can stagnate and condemn ourselves and our children to leading lesser lives in a lesser land.

Mr. Speaker, this government is not prepared to let that happen. We are not prepared to sit back and watch the jobs and the growth and the opportunities pass to other nations. We are determined to put Canada in a position where it can realize its potential and not only sustain but enhance our standard of living.

To do that, we must constantly seek out new partners and new markets. With a relatively small domestic market, we must look beyond our own borders. And we must give our businesses the access they need to the most dynamic and robust economies in the world.

That is why, Mr. Speaker, we signed the North American Free Trade Agreement [NAFTA] and are working to have Chile join that pact. That is why we are working diligently to help create a Free Trade Area of the Americas [FTAA]. That is why we are such strong supporters of the World Trade Organization [WTO] and its efforts to liberalize trade.

That is why we are involved in the Asia-Pacific Economic Co-operation [APEC] forum. And that is why we have signed a free trade agreement with Israel. This Agreement is a perfect complement to our efforts at trade expansion in other important markets.

Since November of 1993, Mr. Speaker, Canadians have created 600 000 new jobs. And Canada is projected to have the highest employment growth of all G-7 nations in 1996 and again in 1997. The lesson is clear: given access to world markets, Canadians will create jobs and produce wealth.

Now, Mr. Speaker, international trade is a subject involving large numbers — billions of dollars in trade and millions of jobs created. And sometimes, amid all those strings of zeros, we lose sight of the fact that behind the big numbers are individual Canadians — men and women granted the dignity of holding a job. Men and women who are beginning to plan for the future, who are building a better life for themselves and for their children. Men and women who pay taxes and contribute to the economic health of their communities and of our country.

Recognizing this, our government has set the goal of doubling the number of Canadian companies exporting by the year 2000. We believe that this is the best way to encourage economic growth and to create jobs.

Mr. Speaker, the Free Trade Agreement with Israel represents another step toward our goal of freer trade worldwide. It is clear proof that Canada is prepared to match our rhetoric on free trade with concrete action.

Why Israel? Israel and Canada have long enjoyed close relations. Our relationship is rooted in common values and shared democratic beliefs — the belief in freedom and the dignity of the individual.

And our relationship has been grounded in common hopes - hopes for peace and prosperity.

With this free trade agreement, we move toward cementing those ties and realizing the economic potential of our relationship.

It was in November of 1994 that Prime Minister Yitzhak Rabin and Prime Minister Chrétien, began the process that led to this historic agreement. And it was in Toronto, just a few months ago, that I had the privilege of signing a final agreement with Nathan Sharansky, the Israeli Minister for Industry and Trade.

If I might be permitted a personal word, Mr. Speaker, it was a great honour to meet Mr. Sharansky. Since I followed his courageous crusade for human rights in the former Soviet Union for so many years, it was wonderful to finally meet him and to discuss a wide range of issues.

One of his most remarkable qualities is the ability to persevere and to transcend. For many years, he was deprived of his liberty, but he never abandoned his principles. Throughout the darkest days of Soviet oppression, he remained freedom's torchbearer.

So, with the signing of the Agreement in July, both countries undertook to introduce enabling legislation into their respective legislatures. That is why we have introduced this Bill into

Parliament. If the implementation process is completed on both sides by the end of this year, the Agreement will come into effect on January 1, 1997.

Before turning to some of the main features of the Agreement, let me state clearly that while the Agreement is between Canada and the government of Israel, we intend to extend the same benefits to the Palestinians and will be meeting with Palestinian officials to examine the best way to go about this.

Mr. Speaker, Canada has always been firmly committed to the Middle East Peace Process. And the relationship between peace and freer trade is clear. At its best, free trade acts as a system of rules for peaceful economic relations.

Former Israeli Prime Minister Yitzhak Rabin once said that "peace requires a world of new concepts," and Mr. Speaker, one of the most important new concepts shaping our world today is freer trade between nations.

While recent developments in the Middle East have been a source of concern for all of us, they should not blind us to the progress to date, nor discourage us from our long-term goals. We are encouraged by the pledges made by both Chairman Arafat and Prime Minister Netanyahu to renounce violence and continue negotiations.

Those commitments are a clear indication that both sides have an appreciation for the stakes involved, as well as an understanding of the simple truth that far more can be achieved by dialogue than by violence.

And we must recognize that the peace process has already brought concrete benefits to Israel. A large number of capital projects, in the areas of transportation, energy and communications, are being considered by Israel and her neighbours — a development that would have been unthinkable just a few years ago.

Canada supports these constructive alliances and wants to be a full and active player in the future economic development of this region.

This Agreement is also important to Canada because of the nature of the Israeli economy. With a thriving private sector, an educated work force, modern banking systems, an important stock exchange and an excellent communications system, Israel has one of the fastest-growing economies in the region.

The new Israeli government's far-reaching economic program is aimed at lowering taxes, reducing government spending, cutting red tape and reforming restrictive labour practices. As a

result, residential construction is booming and foreign investment is growing.

In fact, Israel has become something of a magnet for foreign investment, which is supplying the capital that Israel needs to grow and to prosper.

Israel has also been busy expanding its trade ties. It has signed free trade agreements with Turkey, the Czech Republic, Slovakia, as well as with the European Union and the United States.

And complementing Israel's economic reforms are its growing political relations. At the end of 1995, Israel had re-established relations with more than 40 countries that had broken ties in the 1960s and early '70s.

This is a welcome development and stands as further evidence of a new Middle East — a Middle East that is dynamic and outward looking; embracing change and expanding opportunities. It is a Middle East that will not allow its past to limit its future.

And it is in this Middle East that Israel is poised to become an economic power. It is, therefore, an opportune time for Canada to strengthen its presence in this growing market through the Canada-Israel Free Trade Agreement.

Trade between our two countries is modest, but growing. Two-way trade last year was up 37 per cent, to stand at \$450 million. Our exports stood at \$216 million in 1995, up 49 per cent from the previous year.

I am confident, Mr. Speaker, that with the implementation of this Agreement, those figures will grow — and grow dramatically.

In fact, even before this Agreement was signed, companies in both countries began to retool and adjust their business plans. And Air Canada's service to Israel is helping to speed the passage of business, goods and people between our nations.

In 1995, more than 68 000 Israelis visited Canada. If this trend continues, Canada will welcome more than 100 000 tourists from Israel this year.

Now, with the signing of this Agreement, the pent-up demand, the close ties and the vast potential, can all begin to be realized. Canadian and Israeli companies will have duty-free access to each other's markets for industrial goods. And they will benefit from the reduction or elimination of tariffs on agricultural products.

Many Canadian companies — some well known, such as Bombardier and Newbridge and some not so well known, like Claridge Israel,

Global Upholstery, Reikh International, Signatel and Telespace — are on the ground, exploring new partnerships and bidding on new infrastructure projects.

These firms are spearheading an increase in exports and imports between our nations. They are boosting investment and encouraging innovation through R&D and joint ventures.

All of their efforts and those of others, will be made much easier by the Agreement we are considering today.

While Israel as a whole represents a healthy and expanding market for Canadian goods and services, there are some sectors that offer particularly strong potential for Canadian companies. These include advanced electronics and communications systems; power and energy projects; oil and gas exploration; as well as agri-food products and environmental technology.

All of these are areas in which Canada enjoys world-class expertise, and all of these are areas of opportunity in Israel.

Mr. Speaker, this Agreement provides access to the Israeli market. But we realize that access is only half the battle; that companies must be made aware of the opportunities that await them.

And Canadian companies wanting to expand into Israel will have a wealth of support. The Canadian embassy in Tel Aviv is working hard to line up potential partners and match up Canadian goods and services with Israeli buyers.

Another important vehicle that our companies can use is the Canada-Israel Industrial Research and Development Foundation. Established in 1993 to promote industrial co-operation, it has played a key role in matching Canadian firms with ones in Israel. To date, the Foundation has approved 11 projects, worth over \$9 million, in collaborative R&D. The Foundation also provides repayable grants for promising joint ventures.

I am pleased to note that the Government of Alberta and the Atlantic Canada Opportunities Agency [ACOA] have signed agreements to co-operate with the Foundation. A similar agreement is in the works with the Federal Office of Regional Development in Quebec [Ford-Q].

The involvement of these governments and agencies is very encouraging because it means a much broader market will be able to tap into the benefits of the Foundation. This, in turn, will lead to more partnerships and more opportunities.

In addition, EDC [Export Development Corporation] offers four lines of credit for buyer credit financing in Israel. And

Canadian companies looking for financial or risk management services will find a ready source in EDC.

So the support is there, and now that governments have played their part in establishing the infrastructure for free trade, it will be up to the private sectors in both countries to step forward and realize the potential of this new relationship.

Let me turn now to the substance of the Agreement, Mr. Speaker. I won't go into a great deal of detail, but let me just outline its main elements.

- Under this Agreement, all tariffs will be removed from industrial products, beginning January 1, 1997. The only exceptions are that women's swimwear (at Canada's request) and certain cotton fabric (at Israel's request) will continue to be subject to tariffs. Even here, however, the tariffs are scheduled to be phased out over two and a half years.
- Duty-free access or low duties will be applied to a variety of agricultural and fisheries products exported by either country. For Canada, such exports include grains, grain products, beef, salmon, maple syrup, alcoholic beverages and various processed foods.
- The Agreement also provides clear and straightforward rules of origin — a key component of any successful trading relationship. And I would point out that these rules of origin are generally less restrictive than those under the NAFTA, reflecting the structure and openness of our respective economies.
- To resolve any disputes that might arise under the Agreement, both sides have agreed to be governed by a binding dispute settlement mechanism.

It is worth emphasizing, Mr. Speaker the areas not covered by this Agreement.

Supply-managed dairy, poultry and egg producers are excluded. Cultural industries are also exempt. So too is the Auto Pact. And other areas of trade, such as trade in services and government procurement, will continue to be governed by the World Trade Organization [WTO] rights and obligations.

These, then, Mr. Speaker are some of the benefits that this Agreement brings to Canadians. I am proud of the work our negotiators have done, and I am excited by the prospects this Agreement creates.

As trade barriers collapse around the world, the possibilities for Canada are virtually limitless.

A world of opportunities is opening up before us and we are determined to place Canadians in a position to benefit from them. This Agreement is an important step toward that goal.

It gives us access to a dynamic and important market. Strong bonds of friendship will be complemented by stronger economic ties, and we will be partners — not only for peace, but for progress, not only for security but for prosperity, and not only for survival but for enrichment.

This Agreement is not a leap of faith so much as it is a declaration of confidence — confidence in the ability of Canadians to compete and compete successfully, anywhere in the world.

To those who say that the old trade barriers are simply being replaced by new trading blocs, this Agreement offers eloquent proof to the contrary.

To those who say that we must diversify our trade around the world, this Agreement offers reason for optimism.

With freer trade as our guide and our goal, let us continue to open up a world of opportunities to Canadians, confident that we can compete in that world — and win.

Thank you.



96/43

AS DELIVERED

THE HONOURABLE ART EGGLETON

MINISTER FOR INTERNATIONAL TRADE

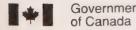
ON THE OCCASION OF

THE CANADIAN IMPORTERS' ASSOCIATION

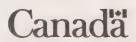
65TH ANNUAL CONFERENCE



TORONTO, Ontario October 9, 1996



Government Gouvernement du Canada





I want to congratulate Donald McArthur and all those who have worked so hard to pull this conference together. I've looked at your agenda and it's a very impressive lineup of speakers and issues.

It's clear that the Canadian Importers' Association [CIA] is determined to give its members the best information from the best sources on issues affecting their businesses.

As Minister for International Trade, I recognize that trade is a two-way street. Often we talk so much about the success of our exporters, that we overlook the spectacular success of our importers.

We know that imports play a huge role in our economy and a vital role in the success of our overall trade picture. In 1995 alone, that contribution was in the order of \$150 billion.

Imports are vital for a number of reasons. First of all, importers ensure that Canadian businesses have access to the latest technologies and products from around the world, at the lowest prices. This does two things: it makes our exports possible because it provides the inputs we can't supply domestically, and it keeps our industries, whether exporting or not, on their toes.

On their toes because, if a new technology or a new product or a new invention comes into Canada, our domestic producers either have to adopt it, match it or surrender market share.

So the competitive edge we need to be successful is constantly sharpened by imports.

Second, importers help to keep our cost of living down. With much of the world as their marketplace, importers can bring Canadian consumers the best prices and the best products.

Without a vibrant import industry, we would all be paying more for the clothes we wear, the computers we use and the cars we drive.

Without imports, our economy would be less robust, our exports would be less successful, our industries would be less competitive and our consumer goods would be more expensive.

So I am here today to acknowledge the role you play in keeping our economy healthy. And I want to thank you for the work you do.

I would also like to report very briefly on recent developments in international trade that might have an impact on your businesses.

The opportunities for trade are multiplying every day. New markets are opening. New products are becoming available for importation. The volume of trade is increasing, as is the success of Canadian companies in carving a niche for themselves in the world economy.

More and more, Canadians are seeing themselves as part of a global trading community and we are realizing that there is far more to be gained from globalization than to be feared.

With the signing of the Free Trade Agreement [FTA] with the United States and then the North American Free Trade Agreement [NAFTA] to bring in Mexico, our trade has skyrocketed. In fact, since the FTA was signed with the U.S., two-way trade between us has soared by 90 per cent.

And as new markets are opened to Canada, Canada opens its doors to products from those countries. And that's good news for importers.

Let me just mention two exciting new opportunities for importers: Chile and Israel.

As you know, Canada is supporting Chile's accession to the NAFTA and we are negotiating a bilateral agreement as an interim measure toward that goal. We believe Chile is poised to become a dominant player in that region, and we want Canadians to have access to Chilean markets and to Chilean products.

Canada has also recently signed a free trade agreement with Israel. This marks the first such agreement for Canada outside of this continent, and constitutes a dramatic statement of our determination to further the cause of freer trade around the world.

Israel is a leading economic power in the Middle East and this agreement creates an exciting, "ground floor" opportunity for importers and exporters alike.

Through agreements like the FTA, the NAFTA and the agreement with Israel, we are matching our rhetoric about free trade with actions.

So let no one doubt that Canada is committed to freer trade. This commitment is born out of both principal and necessity. The principal of freer trade states that the world is better off with a free exchange of goods, services and ideas. It connects us to one another and it creates opportunities beyond what we could ever hope to achieve on our own.

The necessity of freer trade is a product of our relatively small domestic market. If we are to maintain our standard of living and offer our children and grandchildren the same types of opportunities we had, then we simply must to look to markets beyond our own borders.

Quite simply, Canada needs trade. One in three jobs in this country depends upon our export market. That is why we signed the NAFTA. That is why we support the World Trade Organization [WTO] and that is why we are working hard to create a free trade area of the Americas [FTAA].

I mentioned the WTO. I've just returned from a Quadrilateral Meeting in Seattle. As you know, the "Quad" is composed of the United States, the European Union, Japan and Canada. We were meeting in preparation for the First Ministerial Meeting of the WTO, scheduled for December in Singapore.

Let me give you a brief report on what we hope to see achieved in Singapore, and on how we are preparing for that meeting. There are only two months left until the Singapore Ministerial. In my Quad and other meetings, I have been urging Canada's trading partners to move from rhetoric to reality — to find agreement on items that are key to continuing the process of liberalizing trade and investment. I want the Singapore meeting to reach consensus multilaterally on as many issues as we can.

The way forward toward more open trade depends, first and foremost, on full implementation of WTO commitments by all members. The so-called "built-in agenda" of further work, including ongoing review, analysis and preparatory work for future negotiations, provides that way forward. Canada is working hard to get the right kind of forward-looking decisions by Ministers at Singapore, to ensure that work proceeds.

Second, we must respond to the legitimate needs of developing countries — and especially least developed countries [LDCs] — if we expect them to respond to items of importance to us. We may not be able to agree on collective action on tariff concessions for LDCs, for example, but we may be able to agree on a plan of action to provide technical assistance. At Seattle, I proposed that we endorse holding a joint meeting early next year of trade and aid agencies, including donor countries, the WTO and the World Bank and IMF, to look at ways to enhance the co-ordination and delivery of trade policy technical assistance.

Third, I believe that the WTO is and can remain responsive to the needs of a globalized economy. For this reason, Canada has taken the initiative to begin an educational and analytical work program on investment, and we have supported a European Union [EU] initiative to have the WTO begin work on trade and competition interface. I also think that we need continued progress on trade and environment. And we need to respond to public concern about core labour standards, particularly child labour.

Fourth, we need to keep the system moving. I support an Information Technology Agreement [ITA] to bring tariffs down to zero on these products, which are so important to the infrastructure of so many industries. I also support other areas for tariff liberalization, such as for oil and oilseeds and pulp and paper, although I have more work to do with my counterparts on this. And we must show that we remain committed to successful results on basic telecommunications and financial services next year.

Finally, Singapore should show that the WTO works as an institution. Over and above the NAFTA and the regional initiatives in which we are engaged, I think both business and government must remember that the WTO itself ultimately stands for free trade, for comprehensive rules and for universal application.

In my international travels, I have learned that others look to Canada to exercise leadership and to provide direction. An acceptable Singapore package for me should include an ITA. It should also include the right compromise on trade and labour, so that we may show others that it is not a threat to discuss the subject. I want Singapore to find the right avenues forward for other liberalization, for finishing telecoms and financial services, for starting on investment and competition, and for helping the developing countries so that they can help us better access their markets.

In this historic movement toward freer trade, the Canadian Importers' Association must continue to play a vital role. For more than 65 years, you have been the recognized voice of the importing community.

To assist in that dialogue, I am inviting you to join with the Alliance of Manufacturers and Exporters Canada and the Canadian Chamber of Commerce in establishing a working relationship with the Trade Advisory Committees Secretariat in my department.

This forum can act as a one-stop shopping desk for you and your members, as well as a venue to provide advice and input to me on an ongoing basis. I hope you will consider this suggestion.

As I close, let me again thank you for the contribution you are making to our international trade. Your efforts make my job a lot easier and our country a lot wealthier.

I value the work you are doing and I pledge my best efforts to advance the cause of freer trade so that the benefits of the global marketplace will be brought first and foremost to Canada.

Thank you.



Statement

96/44

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY

THE HONOURABLE ART EGGLETON

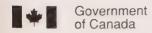
MINISTER FOR INTERNATIONAL TRADE

ON THE OCCASION OF

THE CANADA-POLAND BUSINESS CLUB LUNCHEON



WARSAW, Poland October 14, 1996







It's a real honour for me to be here in Warsaw as you celebrate the 400th anniversary of this historic city as the capital of Poland. I say this both as the Canadian Minister for International Trade and as former Mayor of your sister city, Toronto.

Let me first congratulate you on the successful formation of the Canada-Poland Business Club. You have created something from the ground up in just over a year, and I think that says a lot about the kind of enthusiasm Canadians bring to Poland and of the opportunities we see here.

Polish-Canadian links have been forged over many years, in many areas. Canadian soldiers fought side-by-side with their Polish brothers during two world wars, and scores of Polish immigrants have helped to build the country I am proud to call home. Those ties were reinforced most recently by the visit of Foreign Minister Rosati to Canada in May of this year. During his visit, we were able to discuss a wide range of issues and, of course, to sign the Television-Film-Video Co-operation Agreement, which will enable both of our countries to work together in the promotion of our cultural industries.

I look forward to meeting with Mr. Rosati this evening to build on the important links forged during his visit.

I am also pleased to announce today the signing of a memorandum of understanding to proceed with the implementation of a project involving Morocco, Poland and Canada. This project, which involves the provision of geoscience expertise and funding from Poland and Canada to Morocco, provides an opportunity for Canada's Export Development Corporation to work with its Polish counterpart, the KUKE.

My message today is really very simple: Canada wants the Polish people to know that we are a reliable, long-term partner that stands ready, willing and able to help Poland develop its infrastructure and take its rightful place in the global economy.

Canadians believe in Poland. They believe in its people and they believe in its potential. And that's why I'm here.

Already, we are seeing evidence of Poland's growing presence in international affairs. Poland has been one the most active members of the North Atlantic Co-operation Council an in the Partnership for Peace. You have distinguished yourself in your current capacity as a member of the United Nations Security Council. And, Canada looks forward to Poland acceding to the Organization for Economic Co-operation and Development this fall.

Canada supports Poland becoming a member of NATO — a step, we believe will enhance stability in the transatlantic area stretching from Vancouver to Vladivostok. In fact, Canada served as the first NATO contact embassy in Warsaw from 1992 to 1995.

And we welcome the constructive role which Poland has played in Central and Eastern Europe, particularly with respect to the Central European Free Trade Agreement and Ukraine.

This is a great tribute to the Polish people — that even as they work hard for reforms at home, they are willing to assume important responsibilities abroad. I am thinking particularly of the Polish battalions stationed in Bosnia, which have served the cause of peace with such distinction.

Canada also welcomes Poland's interest in the G-7/P8 experts group on transnational organized crime. With the unfortunate rise of organized crime in Central and Eastern Europe, with links to Canada and elsewhere, we appreciate Poland's willingness to join the fight against this evil which knows no borders.

So Poland has emerged onto the world scene, and Canada fully supports this new profile.

The attraction of Poland for Canadian investors is obvious: it is the gateway not only to Central Europe, but to Eastern and Western Europe as well.

Poland has made amazing strides as it adjusts to a free-market economy — a process that demands such a lot of effort from a government and from a people.

But Poland understands that it must continue down the path of reform and that it must make it easier to do business here. In that effort you can count on our support and our assistance.

With our long-standing ties and the reforms that have taken place in your country, it is not surprising that Poland is our most important trading partner in Central Europe. In 1995, two-way trade between us stood at \$300 million — more than double what it had been just two years earlier.

And that phenomenal growth rate is continuing. In the first half of 1996, Canadian exports to Poland increased a further 32 per cent.

One of the most encouraging aspects of the commercial activity between us is how broadly based it is. We are dealing with one another not just in one or two fields but over a range of areas as diverse as high technology, the environment, consumer goods, transportation, aerospace, construction and agri-food.

Spreading across many sectors of the economy, the foundation we have built is ready to sustain a much larger and much richer volume of trade.

You know, when we began to organize this visit, they told me that maybe 10 or 15 companies would be joining us. But we have twice that number - 30 companies - with us today.

My point is this: both by the size and the quality of private sector interest represented here today, Canada is demonstrating a desire to be part of the new Poland.

No one knows better than you that there are thousands of Canadians already on the ground in Poland — creating partnerships, developing alliances, negotiating contracts.

Some are less visible than others because they are working for non-Canadian companies. Commercial Union and Amplico Life, Proctor and Gamble and General Motors may not be Canadian companies; but, here in Poland, they are all managed by Canadians.

The Canadian presence extends to the legal field — to firms like Baker and Mackenzie, which is our Master of Ceremonies today.

In fact, you may not realize it, but you are surrounded by Canadians or Canadian products everyday!

Did you know that the McCain french fries in your grocery stores are Canadian?

Did you know that when you put on Bauer roller blades or hockey equipment, you're wearing a Canadian product?

When the Polish President lifts the telephone in his office, he is using Nortel's telecom equipment.

And even returning home you can't escape us, because many Polish homes are being built with high-quality, competitive Canadian lumber.

So you can see, Canada is already a big part of your lives.

While Canadian investment in Poland ranks only about 10th or 11th in terms of absolute value, we rank 5th or 6th in terms of the number of investments here. So we are numerous and our impact is being felt right across the economy.

In fact, a study we are undertaking right now, suggests that Canadian investment in Poland is well over US\$200 million!

With so much Canadian interest in Poland, it's not surprising that there are already a number of success stories to tell. Let me just give you a taste of some recent ones:

- Nortel has just signed the second in a series of contracts with the Polish Telecommunications Agency.
- Zenon has signed an \$11 million contract for water purification in the power sector.
- The POLCAN Bank has just received its foreign exchange licence. Although all of Canada's major banks are active in Poland, POLCAN is the first with storefront operations in Poland, and now offers full import-export services to the Canada-Poland business community.
- And of course, no recitation of success stories would be complete without mentioning the gold medal won by Danuta pasta at POLAGRA. Why is this a Canadian success story? Because the only wheat used to produce malma is Canadian durum wheat! So we have Danuta a Polish/French/Italian company, using Canadian wheat to produce the best pasta in Central Europe! If that isn't a sign of the globalization of world markets, I don't know what is!

Clearly, Canadian companies see the opportunities here. They understand the many benefits of looking to Poland. They can see the deep structural reforms taking place here. They see the strong economic growth.

The Canadian Export Development Corporation has seen all of this too. That's why it has given Poland a Risk II classification, just beneath the Risk I granted to the nations of the G-7.

And the successes we have enjoyed to date are evidence that Poland sees the value in dealing with Canadian companies. I know that sometimes the reputation Canadian products have in Poland is that they are first rate but expensive. And after all, Canada is so far away!

It is true that our technology and expertise is second to none. But look closely at price — we are extremely competitive. We have to be. Canada has gone through a major restructuring in recent years. It's been tough, but we have emerged stronger for it.

We now have the seventh-largest economy in the industrial world. And we have achieved this largely through trade. In fact, one in three jobs in Canada now depends on trade and about 37 per cent of our GDP [gross domestic product] relies on our international trade around the world.

Now, Canada did not become one of the leading trading nations in the world by supplying shoddy goods or overcharging the moon. We have won new markets by producing goods that are first rate and by being highly competitive in price.

And because we are a high-technology country, distance is simply not an issue. Certainly distance has not stopped Poland from exporting to Canada!

What's so exciting about the Canada-Poland partnership is that many of the areas where Canada has developed an expertise are precisely those where Poland has identified needs. In fact, we have here a situation where need almost exactly matches supply.

Among Poland's most pressing priorities is the requirement to upgrade its telecommunications and infrastructure so that it will be able to benefit from the great new wave of technology sweeping the globe. And Canada leads the world in these areas.

So I believe the future is bright for both our nations. Poland has stepped onto the world stage and assumed important new responsibilities. Canada sees exciting new opportunities for mutually beneficial arrangements.

Just as Poland, a soon-to-be member of the European Union, will provide a gateway to that market, so too does Canada provide a gateway to the North American market — some 360 million people — through our membership in the NAFTA [North American Free Trade Agreement].

We can, therefore, be not only partners to one another, but bridges for one another into large and lucrative markets.

So let's build on our past and prepare for the future. Let's realize the potential of a relationship that is so rich with promise. And let's extend our hands across the miles, to help each other as friends and support each other as partners.

Thank you.





EA STATEMENT

96/45

CHECK AGAINST DELIVERY

THE HONOURABLE ART EGGLETON,

MINISTER FOR INTERNATIONAL TRADE,

ON THE OCCASION OF THE STANDING COMMITTEE ON

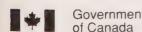
FOREIGN AFFAIRS AND INTERNATIONAL TRADE

ON BILL C-61, AN ACT TO IMPLEMENT

THE CANADA-ISRAEL FREE TRADE AGREEMENT



OTTAWA, Ontario October 29, 1996







Colleagues,

This important legislation will do so much to cement our ties with Israel and open up new areas for co-operation and mutual enrichment.

Around the world, opportunities for trade are increasing and barriers are coming down.

In this new, interconnected and interdependent world, no nation can afford to hide itself behind walls of protectionist tariffs or duties.

Canada understands the dynamics of this new world. We understand the need to liberalize trade and to break down the old ways of the old days. And, as a nation with a relatively small population, we understand the need to look to markets beyond our borders. In fact, Canada is more dependent on trade to produce jobs and economic growth than any other developed country in the world.

In recent years, trade has become the lifeblood of our economy. Our exports have exploded and now account for one third of our gross domestic product [GDP].

Canadian exporters would not have had this kind of success if, every time they knocked on doors around the world, they were met by hostile tariffs and duties. But, because of arrangements such as the North American Free Trade Agreement [NAFTA], their access has been assured. That is why we are working hard to expand the number of countries that will open their doors and their markets to our exporters. One of these is Chile, which Canada is working hard to have eventually included in the NAFTA.

And because we know the potential of Latin America and the Caribbean, we are one of the nations leading the effort to create a Free Trade Area of the Americas [FTAA].

Israel has also realized the benefits of freer trade. That is why it has signed free trade agreements with the United States, the European Union, Turkey, the Czech Republic and Slovakia.

What could be more natural, then, than for two countries that have actively pursued free trade around the world to now secure the same with one another?

The ties between Israel and Canada have always been close. Canada's historic links with Israel have always been based on co-operation and mutual respect. To the bonds of friendship can be added those of commerce, and to the benefits of friendship can be added the benefits of investment.

Canada and Israel have been working to establish closer economic ties. In 1994, Prime Minister Chrétien and Prime Minister Rabin met to begin negotiations on the Canada-Israel Free Trade

Agreement. After two years of fruitful negotiations, that agreement was signed on July 31 of this year.

Why did Canada agree to a free trade agreement with a small country like Israel? Because now Canadian and Israeli companies will have immediate, direct, duty-free access to each other's markets for virtually all industrial goods. And both sides will benefit from the reduction or elimination of tariffs on agricultural products.

Perhaps even more importantly, this agreement will place Canadian companies on the same footing as their competitors from the United States and the European Union, both of which, as I've said, already have free trade agreements with Israel. Prior to the Canada-Israel FTA, a Canadian company wishing to export to Israel could have faced high Israel duties.

I have heard reports that Canadian companies in that position sometimes manufactured the product in the United States and shipped it duty-free to Israel under the terms of the U.S.-Israel Free Trade Agreement. We want to keep these jobs in Canada, and the Canada-Israel Free Trade Agreement will allow us to do so.

Israel is an important and expanding market for Canada. Even in the difficult circumstances in which Israel finds itself, it boasts a high standard of living and impressive economic growth. Residential construction is booming, unemployment is low and foreign investment is surging.

At present, trade between our two countries is modest but growing. Two-way trade last year grew to \$450 million — up 37 per cent from the previous year. I believe that with the signing of this agreement, and the opening up of each other's markets, those figures are going to grow significantly.

Israel offers a vast number of opportunities that will be of particular interest to Canadians. High-technology goods, telecommunications, power and energy projects, oil and gas exploration, and the agri-food, fish and environmental sectors — all of these have excellent potential for Canadian companies.

For these reasons and more, we are very pleased that the new government of Israel has chosen to pursue this free trade agreement with Canada. And we were honoured that Natan Sharansky, Israel's Minister of Industry and Trade, was able to sign this agreement in person in Toronto last July.

Mr. Sharansky is a man who has demonstrated a courageous and tenacious determination to persevere and to triumph. He is a man who personifies Israel's determination to work for peace and for the creation of a new and dynamic Middle East — a Middle East that embraces change and expands opportunities.

This agreement comes at a crucial time for Israel and the other countries of the Middle East. Recent events in Gaza and the West Bank are of great concern to all of us. We deeply regret that more Israelis and Palestinians have lost their lives. We have urged the leaders of both sides to explore every option, exert every effort and examine every alternative in order to prevent further violence.

There are some who say that in the face of recent events in the Middle East, our introduction of this legislation should be delayed. But we believe that this agreement strengthens Canada's presence there, and constitutes a declaration of our confidence in the peace process, as well as an investment in our common future. Furthermore, we are moving forward with Bill C-61 to bring the free trade agreement into force, since we believe it would create jobs for Canadians — it would be good for Canadians.

We are encouraged by the pledges from both Palestinian and Israeli leaders at the Washington Summit to renounce violence, and we welcome the resumption of the bilateral discussions. It is our profound hope that these negotiations will lead to the speedy implementation of the interim agreements and, in particular, the redeployment of Israeli forces from Hebron.

For over 50 years, Canada has been a staunch supporter of the pursuit of peace in the Middle East. It was, after all, a Canadian — Lester B. Pearson — who originated the first true United Nations peacekeeping effort, in 1956, and who won a Nobel Prize for his efforts during the Suez crisis.

And it is a matter of pride, not only to this government but to our country, that Canada has served in every UN peacekeeping operation in the Middle East since that time.

Today, Canada is also leading more directly in the peace process, by agreeing to chair the Refugee Working Group in the multilateral track of the peace process. This working group seeks to improve the living conditions of refugees and works to find a comprehensive solution to the refugee issue. We also participate in the four other multilateral working groups, and have played a particularly active role in the fields of water and regional security.

Canada is also a member of the Ad Hoc Liaison Committee, which co-ordinates international assistance to the Palestinian Authority.

And we have been, and continue to be, generous with our development assistance. In fact, our contribution to the United Nations Relief and Works Agency [UNRWA], which channels assistance to the Palestinians in the Occupied Territories, averages \$11 million per year. And our total assistance to the Middle East has averaged \$50 million annually for the last five years.

But our efforts don't stop there. We have, for example, recently committed ourselves to help rebuild Lebanon. In July, we announced the creation of a liaison and advisory group that will provide support to the private sector in its participation in this rebuilding effort.

This group, composed of both private- and public-sector representatives, will work to co-ordinate and mobilize Canadian businesses so that their efforts will be of maximum benefit and effect.

Our commitment to the reconstruction of Lebanon stands in a long tradition of support for the independence, sovereignty and territorial integrity of that country. This commitment flows from our conviction that all of these elements must be in place if there is to be a truly lasting peace in this region.

Moreover, while it is true that this agreement is with Israel, Canada has offered to extend its benefits to goods produced in Gaza and the West Bank, and Israel has accepted our offer. We are discussing how best to achieve this through consultations with the Palestinian Authority.

And we stand ready to examine ways to enhance trade with other Middle Eastern countries as well. It is our intention to expand our trading relationships with the entire Middle East. We already have a significant trade with that region — over \$2.5 billion in export of goods annually, with a surplus in our favour of about \$500 million. When you add in trade in services, the total trade picture is over \$3 billion a year.

Looking at individual countries within the region, two-way trade with Saudi Arabia stands at over \$1 billion. Our exports to Lebanon are growing and now exceed imports; our trade surplus with the United Arab Emirates exceeds \$190 million a year. And trade with Jordan continues to rise, particularly in the area of oil and gas exploration, where there are a number of projects involving several companies from Calgary.

In short, the Middle East represents a rich market for Canada, and the signing of the Free Trade Agreement with Israel represents a major step toward realizing that potential.

The next step for Canada is the one before us now: to pass this legislation. Once the Agreement is in place, the torch will pass to the private sectors in both countries to make it work, and work effectively.

Colleagues, Canada and Israel have enjoyed a strong friendship. It is based on shared democratic values and common hopes. Now, it is time to develop the economic potential of our relationship and, in

so doing, support the efforts of Israel and its neighbours to build a just, lasting and comprehensive peace.

It is our belief that this agreement will help to strengthen those ties and to realize those hopes.

Thank you.





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96/46

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NOTES FOR AN ADDRESS BY THE HONOURABLE LLOYD AXWORTHY, MINISTER OF FOREIGN AFFAIRS, AT YORK UNIVERSITY

"BUILDING PEACE TO LAST: ESTABLISHING A CANADIAN PEACEBUILDING INITIATIVE"



NORTH YORK, Ontario October 30, 1996



of Canada

Government Gouvernement du Canada





Introduction

Thank you for inviting me to meet with you today. As you know, one of the commitments this government made was to open up the formulation of Canadian foreign policy to a much wider range of participants, including the academic world. That is why I have chosen to speak to you here today on what is, I believe, one of the most significant challenges we face in the post-Cold War world: building sustainable peace in countries prone to recurring cycles of violence.

In speaking with you today, I would like to outline my own thinking on why "peacebuilding" is necessary and what it means in concrete terms, recognizing that it is an evolving concept. And I would like to share with you a new initiative that we are taking as part of Canada's response to the challenge that peacebuilding poses.

New Era, New Needs

The end of the Cold War was hailed by some as the harbinger of global peace. But what it has brought us is not peace — but a new kind of war. The current crisis in the Great Lakes region of Africa is the most recent in a series of tragic internal conflicts with profound regional implications. Too many countries are caught in the trap of seemingly unstoppable repetitions of conflict within their own borders, the cost of which is measured not only in the millions of lives extinguished, but also in the despair of those who survive. In an increasingly globalized world, these crises directly or indirectly affect us all.

In Cambodia, El Salvador, the Middle East, Haiti, Rwanda and Bosnia, the international community has learned the hard way that traditional approaches to conflict resolution are not enough. There is still a clear role for the solutions that characterized the Cold War era. Canada's path-breaking contribution to international peace and security — the concept of peacekeeping — remains a key tool. But it is not the tool for preventing ethnic cleansing in the former Yugoslavia, nor for ending hate propaganda in Rwanda, nor for getting the Palestinian Authority on its feet before the possibility of Middle East peace slips through our fingers.

The conflicts we face now are no longer purely military in nature, nor will they be resolved by military solutions alone. They occur within states, rather than between them, but they tend to spill over into surrounding regions. And they are characterized by long-term cycles of violence in the absence of the capacity to sustain a peaceful society.

The Response: Peacebuilding

The international community has begun to rethink the whole concept of security in the light of these developments. Countries such as Norway and Holland have been in the forefront of this effort, as has Canada. Out of this rethinking two key concepts have emerged: human security, and, as the means to secure human security, peacebuilding.

I have already spoken about the concept of human security, when I addressed the United Nations General Assembly this fall. The concept of human security recognizes that human rights and fundamental freedoms, the rule of law, good governance, sustainable development and social equity are as important to global peace as are arms control and disarmament. It follows from this that, to restore and sustain peace in countries affected by conflict, human security must be guaranteed just as military security must. This is where peacebuilding comes in: as a package of measures to strengthen and solidify peace by building a sustainable infrastructure of human security. Peacebuilding aims to put in place the minimal conditions under which a country can take charge of its destiny, and social, political and economic development become possible.

I see peacebuilding as casting a life line to foundering societies struggling to end the cycle of violence, restore civility and get back on their feet. After the fighting has stopped and the immediate humanitarian needs have been addressed, there exists a brief critical period when a country sits balanced on a fulcrum. Tilted the wrong way, it retreats into conflict. But with the right help, delivered during that brief, critical window of opportunity, it will move toward peace and stability.

This is not, of course, an easy thing to do. These are highly volatile situations, where the needs are many and the time to respond is short. An effective response often requires co-ordination among organizations — non-governmental organizations (NGOs), the military, and civilian experts — that usually work independently. It requires horizontal thinking that cuts across military, diplomatic and aid-based solutions. And it has become clear from the events in Bosnia, Rwanda and now Zaire that, while its thinking may have evolved, the international community does not yet have the tools it needs for the task of peacebuilding. In Bosnia, for example, military peacekeepers found themselves rapidly drawn into a whole range of urgently needed civilian functions for which they were not trained or equipped.

The Mechanics of Peacebuilding

The time to develop those new tools and mechanisms is now. Responding to the challenge of peacebuilding will not be easy — it will require a leap of faith. Canada is poised to make that

leap, to offer an example of leadership to the international community. Whatever the risks, the international community can no longer afford to hesitate on the brink while more countries descend into cycles of bloodshed and ethnic hatred.

As proof of our willingness to take a leadership role, we have made our Ambassador to the United States, Raymond Chrétien, available to act as the Special Envoy of the UN Secretary-General to the Great Lakes region. As a former Ambassador to Burundi, Rwanda and Zaire, Mr. Chrétien has extensive expertise in the region. He will be departing for the region within the next few days, to establish the facts on the present conflict, defuse tension and seek regional solutions. This mission embodies the traits that characterize the mechanics of peacebuilding:

- Willingness to take risks: Peacebuilding is aimed at situations where the risk of failure is much higher than in traditional multilateral activities; but there are cases where the costs of inaction are so high that the international community must be prepared to accept this risk.
- A rapid, co-ordinated and flexible response: Peacebuilding deals with situations where speed is of the essence. It requires a response that links security, economic and social development, and governance, and that addresses the real problems of particular regions or states.
- Preparedness: It follows from the need for a rapid response that to be effective in peacebuilding we need to develop stand-by capacity in Canada, and to carry out ongoing analysis, priority setting and early warning.
- Partnerships: Peacebuilding calls for partnerships with Canadian citizens and NGOs, with other donor countries, with international organizations and, above all, with the countries we are trying to help. Peacebuilding is not about imposing solutions, but about working with countries to fulfil the promise of the UN Charter to "save succeeding generations from the scourge of war." It is about helping individuals, communities and states create their own opportunities for sustainable peace by building institutions responsive to their needs.

In this context, we have two great assets in Canada that can be put to use in peacebuilding. The first asset is the wealth of skills and institutions that Canadians have developed in nurturing our own democracy, which can be put to good use in wartorn societies. We have developed these skills in our legislatures and our electoral authorities, in our local governments and our media newsrooms, in our police forces and our courts. Canadians young and old, in business, labour, non-

governmental bodies and the professions, have expertise that could be deployed abroad in building sustainable peace. The true measure of our leadership in peacebuilding will be the degree to which we manage to mobilize those talents effectively.

The second asset is Canada's head start in the field of information technology. Information technology by its nature is a good match with peacebuilding. It is a rapid, flexible and inexpensive means of sharing information and expertise. It can of course be used to collect and analyse information and provide an early-warning function. But its potential goes well beyond this. We should be using information technology to maintain the in-country capacity we have helped develop, long after Canadian experts have gone home. For example, the Pearson Peacekeeping Centre could use new technologies to keep in touch with its foreign graduates in their home countries around the world. These technologies could also be used to supplement training of peacebuilders here in Canada, by ensuring that lessons learned in one operation can inform future peacebuilding activities.

Example of Peacebuilding

Haiti, since the return of democracy on 1994, is a good example of what I am talking about. In Haiti peacebuilding has complemented peacekeeping operations, by creating the conditions for sustainable peace during the transition from conflict to longer-term development. The UN peacekeeping operation in Haiti now includes, in addition to its military mandate, a substantial peacebuilding component: the training of civilian police and the co-ordination of institution building, national reconciliation and economic rehabilitation activities. Canada is deeply engaged in both aspects of the UN mandate. There is a proverb in Haiti that "the law is paper and the bayonet is steel." Peacebuilding gives the Haitian people the capacity to make the transition themselves from using steel to using paper to solve their problems.

The challenge now is to build on our innovative work in Haiti, so that we have the capacity to respond more rapidly, and in an equally innovative way, as urgent needs arise in other priority countries and regions. It is the scope and complexity of the peacebuilding challenge that led us in government to take a number of measures that together form the Canadian Peacebuilding Initiative.

The Canadian Peacebuilding Initiative

My colleague the Minister for International Co-operation, Don Boudria, and I have agreed that there is an urgent need to co-ordinate our programs and policies that support conflict prevention and resolution, peacebuilding and post-conflict reconstruction. There is a need to establish priorities and to

spend our money strategically. There is a need to mobilize extensive Canadian resources in peacebuilding. In sum, there is a need for a catalyst that can mobilize and bring together ideas, actions and funds. In the light of this, we have decided to launch a Canadian Peacebuilding Initiative.

As the term "initiative" implies, we are taking the first steps in what we expect to be a longer-term process. We already possess many of the tools needed to respond to complex emergencies — many Canadians within government and outside of it are already engaged in peacebuilding — but we need to create a new way of organizing our activities. Our aim is not to take over existing activities, but rather to ensure that they work together in a coherent manner.

To do this we must ask ourselves a number of questions:

- what our peacebuilding priorities are, both geographically and in terms of niches in which to establish Canadian expertise;
- what measures are needed in a particular situation;
- who the best people are to do the job;
- where the resources for training and deployment will come from;
- how to get people and resources into the field as quickly as possible; and
- how to mobilize the considerable pool of Canadian expertise and co-ordinate with the peacebuilding initiatives of others.

These questions are part of the reason I am here today: because we need your ideas, your energy and your expertise to help us answer these questions in order to make the Initiative work. For the same reason, at my request, the National Forum on Foreign Policy is focussing on peacebuilding as one of its two themes in its current round of discussions. Two sessions on peacebuilding have been held in the past week — one in Halifax, the other in Victoria. The results have highlighted for me a number of factors we need to build into this initiative — such as drawing upon Canada's multicultural society as a resource for peacebuilding.

In my speech at the United Nations last month, I announced one concrete measure that will form part of this initiative — the creation of a roster of Canadian human rights experts, who would be available at short notice to the UN Centre for Human Rights, for example, to help verify and implement peace accords. Today, I would like to announce two further measures that the Government is prepared to undertake immediately to launch the Initiative.

The first is to bring NGO experts into the policy-making process. Accordingly, I would like to convene a formal consultation on

peacebuilding, in co-operation with the members of the NGO-led Peacebuilding Contact Group. This would take place in conjunction with our annual consultations with NGOs on human rights, early in 1997.

The second is to establish a Peacebuilding Fund, at the level of \$10 million, next fiscal year. This is not a large fund aimed at financing all Canadian initiatives under the rubric of peacebuilding. Nor is it meant to finance related activities that are already being addressed by other mechanisms, such as demining, demobilization of troops, restoration of capital infrastructure, return of refugees and displaced persons, and long-term development assistance. Rather it is designed to fill urgent gaps in Canadian programming and, above all, to act as a catalyst, to spark new approaches and to mobilize Canadian talent and expertise.

The Minister for International Co-operation and I will jointly determine and approve initiatives under the Fund. More important, we intend to work together to streamline decision making, co-ordinate activities within Canada and beyond, ensure broad consultation and information sharing, and speed up our response to crises. Other federal departments and NGOs will be brought on board to ensure a coherent political, military, humanitarian and development assistance approach to complex emergencies.

I would like to challenge Canadians to consider the contribution they might make to this initiative. It is the Government's job to formulate our policies and define our priorities in support of peacebuilding. But the Government cannot do the job alone; we have neither the resources nor the expertise. If this initiative is going to work, we need people like you. We need Canadians who are committed to promoting peace, who understand the international environment, and who have skills that could be put to good use in rebuilding war-torn societies.

Conclusion

We are living through a profound shift in the conduct of international relations. The old, Cold War thinking on security between states is being replaced by a new approach focussed on sustainable human security. Canada should be at the forefront of that shift, not only because of what we have to offer to others, but because it is in our own interest to do so. Peacebuilding sets us on the road to a secure, equitable and sustainable international environment in which Canada can flourish. Canada has traditionally been a leader in peacekeeping operations. My aim is to move us toward being a leader in peacebuilding.

The Canadian Peacebuilding Initiative will give us the means to mobilize Canadian expertise in support of peacebuilding. It will

give us the tools we need to respond quickly and effectively to the complex requirements of building peace — putting in place the elements necessary to promote trust and confidence among diverse communities within states. The same tools will enable us to promote co-operative relations between states in ways that contribute to real human security — not simply the false and cold peace of military armed stand-offs. The Israeli statesman Abba Eban said: "Men and nations do behave wisely — once all other alternatives have been exhausted." The Canadian Peacebuilding Initiative is designed to ensure that we do not have to exhaust all other options before we take definitive action to build peace.

Thank you.





EN SMARINEME

96/47

CHECK AGAINST DELIVERY

THE HONOURABLE ART EGGLETON

MINISTER FOR INTERNATIONAL TRADE

ON THE OCCASION OF

THE PACIFIC BASIN ECONOMIC COUNCIL

LUNCHEON



TORONTO, Ontario November 1, 1996



Government of Canada

Gouvernement du Canada





Thank you to the members of the Pacific Basin Economic Council [PBEC] — Canadian Committee — for sponsoring this event and for participating in the Asia Pacific Roundtable.

I am really looking forward to this afternoon's roundtable, when I'll have the chance to listen to those of you who are on the ground, taking risks and leading the way.

It's great to be back in Toronto, even if our Blue Jays didn't make it to this year's World Series! I suppose now we'll have to pin all of our hopes on the Argos. Can you believe it? The Argos are actually the class of the league this year. That's like the Reform Party standing up for social programs — it's unusual, and you can't quite believe it's true, but you're glad to see it anyway.

And for those of you who don't think there's any justice in this world, I would simply point out that both Roberto Alomar and Leo Cahill watched this year's championships from the sidelines!

So all is right with the universe!

PBEC has become an important international presence in recent years. Active in 19 countries and involving over 1100 companies, your organization has emerged as a vital voice for trade and investment in the Pacific Rim.

And our meeting today is indeed timely, because this is a historic moment for Canada and its relations with Asia Pacific. We stand on the threshold of considerable opportunities in the Pacific Region.

And as we do so, we need a clear vision of what we want that relationship to be, as well as the steps we must take to get there.

As you know, next year Canada will be in the chair for the Asia Pacific Economic Co-operation forum [APEC], hosting a number of events, including the Senior Officials Meetings, various Ministerial meetings, as well as private sector events. And, of course, we will have the honour of hosting the APEC Economic Leaders' Meeting, in British Columbia.

As a lead-up to that meeting, and to increase our awareness about the wonderful opportunities in the Pacific Rim, we will be declaring 1997 to be Canada's Year of Asia Pacific.

This will be a significant step for us — we have never declared a special year devoted to one geographic region before. But we believe in the Asia Pacific. We believe in its potential. We believe in its people. Without a doubt, Canada is a full and enthusiastic partner in this dynamic region.

I know that many of you have already been briefed on Canada's Year of Asia Pacific, so I won't dwell on the range of activities we have planned. But let me just say why I believe this is so important for Canada and why it is right to devote a year to it.

First of all, Canada is a trading nation. One job in three in this country now depends on trade. And trade accounts for about 37 per cent of our GDP [gross domestic product]. Last year, we saw a record trade surplus of \$28 billion, and there is every indication that 1996 will be even better.

Those impressive numbers have not been achieved by government, they have been achieved by individual companies just like yours — companies that had the courage, the vision and the daring to look abroad and win new markets.

Asia Pacific is our second-largest trading partner after the United States. And it is increasing its share of world merchandise trade — from about 37 per cent in 1983 to 48 per cent in 1995.

The Asia Pacific region is a giant that has stirred. And as you well know, its potential is absolutely mind boggling. Listen to these statistics: by the year 2000, the region will account for 60 per cent of the world's population; 50 per cent of the world's GDP and 40 per cent of global consumption. By 2020, seven of the top ten economies in the world will be in Asia Pacific.

Now if you're a business person and you haven't started to get enthused yet, you better check your pulse! No company and certainly no nation can afford to absent themselves from this great new economic powerhouse.

That is why Canada was one of the founding members of APEC, in 1989. That is why we led the Team Canada Trade Mission to China in 1994 and to South and Southeast Asia this year.

That is why we will lead another Trade Mission next year — to East and Southeast Asia, including stops in South Korea, the Philippines and Thailand.

And that is why we will spend a year educating and informing Canadian companies about Asia Pacific and all that it can mean to our economic future. In that effort, PBEC can play a significant role. We need your insight and your expertise.

Last April, we held a roundtable in Tokyo for Canadian businesses, trade commissioners and CIDA [Canadian International Development Agency] program managers. We wanted to learn first-hand from businesses what we should be doing to facilitate trade in Asia Pacific.

What emerged from that roundtable was an exciting and challenging vision of Asia Pacific in the next decade.

And what also emerged were a number of issues that we need to address. Issues like:

- the need to focus our energy and resources and not try to be all things to all people;
- the importance of differentiating our approach to the various economies within the region and not treating them all as members of a homogeneous entity called "Asia Pacific";
- the need for banks and the Export Development Agency [EDC] to be more aggressive in the region; and
- expanding the role of our trade commissioners to include more of an advocacy role.

Many of these suggestions have been reflected in our Asia Pacific Trade and Investment Action Plan, which we will be releasing shortly.

We have, for example, decided to focus extra efforts on Japan, Hong Kong, India, China and Taiwan, as economies having the greatest potential for high growth.

And we will target transportation, telecommunications, forest products, power and energy as sectors of greatest opportunity for Canada.

We also recognize that investment, franchising and licensing will become more central to the development of our business relationships in this region, and the training of our trade officers will reflect this reality.

As this region takes off, we must ensure that Canadian companies are in a position to handle the increased demand for our products and services. As we look ahead to the opportunities in infrastructure development for example, we are both meeting the challenge of market access and ensuring that Canada can supply these increasing demands.

As members of PBEC, you have been fully involved in the region for years. But, we also have to do a better job of persuading other Canadian companies to establish a presence in this region. The link between supplier and investor is very strong and companies must be prepared to put down roots in the region.

Presence, persistence and patience are the keys to success here, and we need to do more to get that message across.

The trade missions have been important for these very reasons. Not only have they produced contracts — over \$17 billion at last count — but they have also raised Canada's profile in this region. They

have created the opportunities for personal relationships to be established and demonstrated our commitment to building long-term partnerships — both of which are vital in the Asian business culture.

I am encouraged that our trade with Asia Pacific is already beginning to reflect the commitment we have made to this region. Our exports rose 33 per cent last year alone and now stand close to \$27 billion. In Japan, Canadian exports increased from \$9 billion to \$12 billion, bringing a balance to what had previously been a decided trade deficit for Canada.

We have also begun to make significant inroads into Asian markets and diversified into higher value-added sectors. To take one example, we are now the largest supplier of pre-fabricated housing to Japan.

And our trade with emerging markets is growing exponentially. Exports to India and Pakistan, for example, increased by 64 per cent between 1994 and 1995 and are continuing to rise.

All of this activity and all of these developments mean jobs and growth here at home. Let's not lose sight of the fact that behind the big numbers and strings of zeros, are individual Canadians, who have jobs they didn't have before, who are now planning a brighter future for themselves and for their children, and who are making a real contribution to their communities and to our country.

That's why we need to trade abroad. That's why we need to liberalize trade around the world. And that's why we need to expand on our already strong base in the Pacific Rim.

And let me say that, as impressive as some of these numbers may be and as significant as the increase in our trade has been, we are still only scratching the surface.

The progress we have made to date — in creating forums for Canadian involvement in the Pacific and in opening doors for Canadian companies — is just a prelude to the work we still have to do.

In order to realize the full potential of our new relationships, we must organize ourselves for success.

I've mentioned some of the things we've been doing, but let me just touch on some others.

Over the past three years, our approach to business promotion has included conducting the trade missions I mentioned earlier; increasing the number of our diplomatic missions in the region; opening markets through multilateral negotiations with the WTO [World Trade Organization]; and pursuing freer liberalization and technical co-operation through APEC.

We have also provided a wide range of market studies and guides to help Canadian companies do business in Asia Pacific.

The need to organize ourselves for success is also why we are so excited about hosting APEC in 1997.

In just six years, APEC has emerged as the key forum for economic and trade consultation in Asia Pacific. It includes all the major economies of the region, many of which are the fastest-growing in the world.

In order to sustain current rates of growth, the Asian members of APEC will need to spend \$1.43 trillion on infrastructure in the next decade alone. This represents an unbelievable opportunity for Canada, because we are world leaders in many of the areas they will be modernizing — areas like telecommunications, the environment, transportation and energy.

APEC is also important for another reason, and that is its contribution to freer trade around the globe. Exciting as the opportunities are in the Pacific, there are still too many tariff and non-tariff barriers. There are still too many regulations. There are still too many differences in standards and practices. And there is still too little reliable market information.

APEC offers a central forum to address these issues, and Canada intends to be front and centre in seeking their resolution.

As Chair of APEC in 1997, we hope to see concrete progress made on the individual action plans, which each member economy was directed to formulate at the last APEC meeting, in Osaka, Japan.

These action plans will come under their first formal review in Vancouver and, for our part, we intend to present a solid proposal for trade liberalization and investment, which we hope will be reciprocated by other nations.

One of the most significant characteristics of APEC is the role played by the private sector in advising and informing on its activities. This is particularly true in the 10 working groups of the APEC, where many Canadian firms are already active.

What this private sector involvement means is that the concerns and the insights of business are properly observed. It means a very practical and pragmatic approach to addressing the issues we face. And it means a very business-friendly environment for our discussions.

One of our goals in hosting the 1997 meeting is to ensure that that approach continues and that the barriers to trade and investment identified by businesses will be eliminated, along with regulatory or other practices that stand as impediments.

APEC places a great deal of importance on the role of small and medium-sized enterprises [SMEs]. In fact, last September, ministers from 18 member economies gathered in Australia to create an action plan for SMEs. That plan focusses on five areas of particular importance to these enterprises: human resources, access to information, access to and the sharing of technology, financing and access to markets.

And as I mentioned, one of the key items in the Osaka Action Plan was the need to address regulatory barriers, harmonize standards and simplify customs procedures — all significant issues for small businesses.

Let me just mention two other priority areas for Canada in 1997. The first is human resources development and the other is the environment. These areas are inextricably connected to our ability to realize the benefits of freer trade and to truly build a Pacific community, and we will focus much of our efforts as Chair on seeing progress in these areas.

Beyond the specific progress that we hope to see emerging from the Vancouver meeting of APEC, we are very hopeful that Canada's Year of Asia Pacific will help to celebrate Canadians partnership in the Pacific community, further raise awareness of opportunities and build on the strong relationship we have established there.

We hope that by the end of that year, no business person, no entrepreneur, no young Canadian charting a career path, will have overlooked Asia Pacific in his or her planning.

The demographics, the investment patterns, the economic growth all point to Asia Pacific as the place to be in the years ahead. As a government, we can open doors and help to secure access. We can create special years devoted to raising awareness — both cultural and economic — about specific regions of the world.

But in the end it is you in the private sector who must step forward and capitalize on the opportunities before us. Don't let the jobs, the opportunities and the benefits pass to other companies or to other countries that are more willing to take the risks that will lead to success.

Canadians are already on the ground floor in this expanding region. Let's seize this chance. And help to take Canada forward into the 21st century.

Thank you.



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CHECK AGAINST DELIVERY

THE HONOURABLE ART EGGLETON

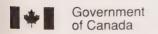
MINISTER FOR INTERNATIONAL TRADE

ON THE OCCASION OF

THE CANADA-EU TRANSATLANTIC BUSINESS FORUM



TORONTO, Ontario November 5, 1996









It's a real pleasure for me to be here to help launch the Canada-EU [European Union] Transatlantic Business Forum.

I want to thank the Conference Board of Canada and the Delegation of the European Commission in Canada for sponsoring this important event.

This is not the time for long speeches, but I guess at least I am guaranteed a standing ovation.

When I heard about this ten-day, four-city forum, I thought it sounded more like a Rock and Roll tour!

I just hope that you can keep this forum on the straight and narrow when you take it on the road!

I think this is a great initiative and I look forward to learning the results of your workshops.

I particularly admire the practical approach chosen for these workshops. This is no pie-in-the-sky exercise. It's a down-to-earth approach to the problems that exist and that must be addressed. Our relationship with the European Union is mature enough to profit from such a frank assessment.

For our part, Canada is determined to strengthen the ties that bind us to the European Union. And while it's true that we've expanded our trading relations with third parties, this in no way diminishes our commitment to the transatlantic relationship, which has served both sides so well in the past and which still holds such promise for the future.

The ties between Europe and Canada are both ancient and deep. Five hundred years ago, the first Europeans set foot on what is now Canadian soil and trade between our two regions began.

Since that time, Europeans have helped settle our land, establish our country, enrich our culture and build our economy. European immigration to Canada has left a legacy of common family, cultural and linguistic bonds that is unparalleled between any two regions in the world.

Nowhere else can one area look to another and see so much of itself reflected back.

These are things not easily forgotten or set aside.

But our connection to one another is not just rooted in the past, we are also committed to a common future — a future of open markets and freer trade.

Of course, expanding trade is not a matter of choice for Canadians: with a relatively small population, we simply must

find markets beyond our borders. This is a challenge that Canadians are taking on with tenacity and success.

Exports have been growing at an unprecedented rate and now represent nearly 37 per cent of our GDP [gross domestic product], compared to only 24 per cent just five years ago.

One in three jobs in Canada now depends on exports. One in three!

Last year, Canadians produced a record trade surplus of \$28 billion, smashing the previous record of about \$20 billion set in 1984.

Significantly, much of this growth is taking place in value-added sectors, which means that we are no longer just exporting raw materials for others to refine and then sell back to us at increased prices. This is good news for the long-term economic prospects of Canadians.

So our trade is growing, our exports are diversifying and our markets are expanding. Canadians are taking on the world — and winning.

But if we are to continue along this path to prosperity, we must continually raise our sights, increase our expectations and break through into new markets.

When Canadian companies think about exporting, most think first of our nearest and largest export market — the United States. This is only natural, given the proximity and familiarity of that market.

But no company and no country can afford to be a one-trick pony. We need to reach out beyond North America, to the vast, untapped markets of the world. And no market holds greater potential for explosive growth than the European Union. For Canadian companies, the opportunities are particularly great: our companies have much of the specialized R & D [research and development] expertise that European firms and research organizations are seeking.

So the need is there and the opportunity is there — and the time is now. History teaches us that opportunities like this don't come along very often and that when they do, they don't last very long. The time has come to put timidity aside and to act boldly.

Europe, "the old world," is new again. The 15 states of the European Union constitute the world's largest market, accounting for about 37 per cent of all the world's trade. And it is the world's largest importer of goods.

With the removal of internal barriers to the free flow of goods, services, capital and people, the EU has become a true economic superpower — one whose GDP now surpasses that of the United States.

Here is a trade area made up of developed countries, boasting well trained workforces and a market of over 370 million consumers. The economies are growing, inflation is holding at around 3 per cent and GDP is rising steadily. Quite simply, the EU has evolved into one of the most competitive markets in the world, significantly influencing global trade and investment patterns.

These are conditions that should enthuse any exporter and encourage any company not already exporting to get on board — fast!

Just to give you some idea of the size of this market, one province (Westphalia) in one country (Germany) has a GDP greater than that of South Korea, Taiwan, Singapore and Hong Kong combined.

It's also important to remind Canadian entrepreneurs that it's becoming easier and easier to do business in Europe. Last December, agreement was reached on a number of trade issues, many of them agricultural matters.

And at the Halifax Summit in 1995, we signed the Science and Technology Agreement, which allows Canadian companies, in co-operation with European companies, to participate in research and development projects funded by the EU.

We are also working hard on an agreement that would allow for the mutual recognition of standards in a wide variety of sectors. This will mean that manufacturers will face even less time and less expense in getting their products into the European market.

So old impediments are falling away and an immense, rich and profitable market is opening up.

Sure, some irritants exist — and I am hopeful that this Forum will provide us with concrete suggestions as to how best to deal with them — but the reality is that the vast majority of our trade with the European Union occurs trouble-free.

The Canadian-EU relationship is stronger and more diversified than ever. Economic and political structures have been put in place to guide and reinforce that relationship.

But while governments can create the mechanisms for trade and investment, in the end it is individual entrepreneurs — making

the decisions and taking the risks and realizing the profits — that make those mechanisms work.

You can be sure that the Canadian government will do all it can to forge new alliances and open new markets. But it all begins, in a very real sense, with you.

One of the stated objectives of this forum is "to open up new avenues for doing business across the Atlantic, whether directly or in conjunction with other partners."

In that effort and toward that goal, you have my best wishes and full support.

Thank you.



CAI

Statement

96/49

JOINT STATEMENT BY PRESIDENT EDUARDO FREI OF CHILE AND

PRIME MINISTER JEAN CHRÉTIEN OF CANADA

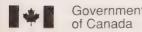
ON THE OCCASION OF

THE SIGNING OF

THE CANADA-CHILE FREE TRADE AGREEMENT



OTTAWA, Ontario November 18, 1996





The President of Chile, Eduardo Frei, and the Prime Minister of Canada, Jean Chrétien hereby express their full satisfaction with the conclusion of negotiations leading to the signature of a Free Trade Agreement between both countries.

Also as a result of the negotiations jointly undertaken, they are likewise pleased to have reached co-operation agreements in matters relating to the environment and to labour.

As they receive the texts describing the above-mentioned agreements, both authorities confirm their commitment toward launching the procedures established by legislation in their respective countries to prepare the agreements in order that they become effective as soon as possible. In addition, both countries have established June 1997 as the target date for the signing of a Double Taxation Agreement.

President Frei and Prime Minister Chrétien reassert their conviction that the conclusion of the process has enabled great progress and consolidated the excellent relations between Chile and Canada.

In signing this declaration, both authorities renew their countries' commitment to the promotion of free trade in the hemisphere, as a means to contribute to economic growth and social development, and to enhance the living standards of their citizens.



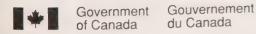
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CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY THE HONOURABLE ART EGGLETON MINISTER FOR INTERNATIONAL TRADE ON THE OCCASION OF THE CANADA-CHINA BUSINESS COUNCIL'S ANNUAL GENERAL MEETING



SHANGHAI, China November 26, 1996







I am delighted to be with you today in Shanghai. This dynamic city at the heart of the Yangtze Delta region is in the forefront of China's impressive economic modernization. Shanghai is also the home of Canada's longest-standing official presence in Asia, with a trade commissioner first posted here in 1908.

I feel a real affinity with China because when I was Mayor of Toronto, we were twinned with the City of Chongqing in Sichuan Province and I had the chance to visit there and to experience some of the wonderful history and culture of this great nation. Chongqing is also Shanghai's sister municipality in China.

Let me also say how pleased I am to meet with the Canada-China Business Council [CCBC], which is doing such a great job to promote trade and investment between our two countries. You have developed an impressive track record over the years, and I am confident that you will continue to be an important and valued partner in expanding Chinese-Canadian commercial relations, especially as you develop a stronger presence in the Shanghai region.

I look forward to working closely together with you and your members in the pursuit of our shared goals.

As you may know, I have just come from Manila, where I attended the Asia Pacific Economic Cooperation [APEC] meeting. One of the distinguishing features of the APEC is its determination to incorporate the views of business into its work. Members are working with the private sector to identify and resolve the real obstacles to doing business in the region.

Canada is chairing APEC in 1997 and one of our major objectives is to help small and medium-sized enterprises do business in these exciting and dynamic markets.

To that end, we will be placing a particular emphasis on trade facilitation by working on things like making customs processes easier and pushing ahead with work on comparability of standards for products and services.

These sorts of efforts by APEC members will go a long way to making their markets both accessible and profitable for Canadian businesses.

Nineteen-ninety-seven has been designated as Canada's Year of Asia Pacific. This special year will celebrate our Pacific dimension and will build on the strong foundation of co-operation that exists between Canada and the Asia Pacific community. It will also build on the momentum of the highly successful Team Canada missions.

Over the course of the year, we will work with businesses, youth and cultural groups across the country to strengthen our ties to the region. A number of activities are designed specifically to

promote increased business partnerships and help Canadians, particularly small and medium-sized businesses, learn more about doing business in Asia Pacific.

Of course, China is of fundamental importance to the future of the Asia Pacific region. Some have predicted that by early in the next century, China will have the largest economy in the world, overtaking the United States.

And as China's economy expands, Canada is determined to participate in its growth. Recent years have demonstrated the potential of our relationship, with trade between us growing at a dramatic rate — averaging 22 per cent in each of the last four years.

Last year alone, Canadian exports increased by an astounding 50 per cent. I congratulate those exporters here today who have contributed to this impressive result.

China and Hong Kong together represent Canada's third-largest trading partner. But we are only scratching the surface.

As a growing economic power, it is important that China become a full player in the multilateral trading system. Canada supports China's accession to the World Trade Organization [WTO] on terms that benefit both Canada and China and that protect the integrity of the multilateral trading system.

We will all benefit from the application of rules that are clear, consistent and comprehensive.

China's negotiations to join the WTO present a real opportunity for Canadian companies and investors to secure better market access here. But even more important than access, is access secured by China's commitment to WTO obligations and thereby to an open and transparent trading regime, the same commitment that Canada and all other WTO members have made.

My department has been working closely with many of the Canadian companies in this room in order to ensure that we are accurately reflecting your interests in these negotiations, and we will continue to do so.

Canada is committed to closer economic and commercial ties with China. The key to achieving that objective is to support the efforts of Canadian businesses expand market presence here in China.

A watershed in achieving a higher profile here was, of course, the Team Canada Trade Mission to China led by the Prime Minister, in 1994. The government is committed to sustaining the momentum established by Team Canada. Only through regular bilateral visits and these CCBC gatherings can we continue to raise Canada's profile and presence in China to the benefit of all Canadians and all Chinese.

Later this morning, it will be my privilege to join Prime Minister Chrétien to witness the signing ceremony between the China National Nuclear Corporation and Atomic Energy of Canada for the sale of two CANDU reactors.

This was just one of the initiatives started by that 1994 Trade Mission, when Premier Li Peng and Prime Minister Chrétien signed a Nuclear Co-operation Agreement.

Another breakthrough initiated by that mission was the Chinese decision to allow ManuLife to establish a joint venture. Canada is only the third country to have one of its insurance companies approved to operate in China, and this deal represents the first foreign life insurance joint venture in China. I am also delighted by news that the Bank of Montreal has received a licence to open a branch office in Beijing.

We are confident that these are representative of the many opportunities for service industries to establish a presence here to the mutual benefit of both China and Canada.

The team approach has already begun to show results. Later this morning I will be proud to witness a number of your commercial signings that coincide with my visit.

We know that if we are to meet the ambitious challenge set by our Prime Minister and Premier Li Peng of increasing total trade between us to \$20 billion by the year 2000, then something more is required.

I am, therefore, very pleased to announce today that the Department of Foreign Affairs and International Trade will be releasing our first China and Hong Kong Trade Action Plan. Our goal for the Plan is to provide the strategic framework through which we can work with you in business to achieve that "20 in 2000" goal.

The China and Hong Kong Trade Action Plan is designed to assist export-ready Canadian companies, especially small and mediumsized enterprises, to take maximum advantage of business opportunities in China and Hong Kong.

We decided to combine China and Hong Kong in one trade action plan in recognition of the growing interdependence of the Chinese and Hong Kong economies and the imminent resumption of Chinese sovereignty over Hong Kong. We also view Hong Kong as an important gateway into the Chinese market.

Having said that, the Plan also recognizes that these are two very distinct markets and that different challenges and opportunities exist with respect to each. Indeed, the emergence of distinct regional markets within China is another area of focus for us.

The Action Plan adopts a strategic approach to markets. It does not attempt to be all things to all people, but rather focusses resources where they are most likely to produce results. This is the way you have told us to proceed and we have listened.

Our ongoing consultations with all stakeholders have helped us to identify 14 key market sectors that offer the most promising opportunities for Canadian exporters in China and Hong.

In these 14 sectors, we will be providing enhanced levels of service. Of course, in other areas, we will continue to provide support on a responsive basis, so far as resources permit.

I believe the Action Plan holds great potential. With your support, we can make it work and work effectively.

We have copies of the Action Plan available for you here today, and in Canada you will easily be able to access the document via our departmental website on the Internet.

We recognize that a first edition is never perfect, so we are looking forward to hearing your suggestions about how we can improve the Action Plan in the future. We will be revising and re-issuing it annually, to ensure that it continues to meet the needs of Canadian companies and to reflect rapidly evolving market conditions.

Of course, our department will continue to collaborate with Team Canada partners in planning trade missions, trade shows, market or technology seminars as well as other trade promotion activities that reflect our market strategy and focus.

Next month, I will visit Beijing at the invitation of China's Minister of Foreign Trade and Economic Co-operation, Madame Wu Yi. This will be my first opportunity to conduct a full review of our bilateral economic and trade relationship since becoming Minister for International Trade, and I'm looking forward to it.

Madame Wu and I will discuss Canada's position on China's entry into the WTO, and I will also reaffirm Canada's desire to conclude a Foreign Investment Protection Agreement with China.

Accompanying me on that visit will be a business delegation, and I can assure you that I intend to personally support market access and project interests in a number of key sectors, including financial services, agriculture, power, transportation,

telecommunications and environmental industries. I will also be reaffirming the government's support for closer co-operation between our nuclear energy industries.

I understand that my colleague, the Secretary of State for Asia Pacific, Raymond Chan, is also planning a business mission to China's central and western regions in the spring. A number of you took part in his first mission to China's coastal cities in May. Both these missions reflect our government's commitment to broaden ties with China's emerging regional markets and open doors for Canadian business.

I am pleased to announce today that Canada will renew the concessional line of credit with China. Many of you have told me how much this facility has helped Canadian exporters establish a strong market presence in China and win subsequent business financed entirely by non-concessional financing.

I will therefore be renewing the line of credit for up to \$75 million. We will be announcing more details soon following consultations between Export Development Corporation [EDC] and the Ministry of Foreign Trade and Economic Co-operation [MOFTEC].

We are also discussing the possibility of negotiating a maritime agreement between China and Canada to facilitate trade and investment between us. This would be the first such agreement for Canada, and we believe it could bring significant benefits to both nations.

I believe it should be clear by now that Canada has a strong commitment to China and Hong Kong. We recognize China's importance, we recognize its potential. And we are determined to support our businesses to the best of our ability to give you every possible chance at success.

All of these efforts are being focussed on expanding our commercial relationship with China. And while we are both excited and optimistic about the potential of China, we are under no illusion about the challenges.

No one understands this need for patience and understanding better than those of you in this room. And no one knows the potential rewards better than you either.

And so, as we work together to realize that potential, I look forward to your input and your advice.

Centuries ago, when map makers came to the end of the then-known world, they would draw a large dragon to indicate that what lay beyond was undiscovered and to warn that dangers lay ahead.

Today, China and Asia are often symbolized by dragons. But they represent opportunity, not danger; new beginnings, not endings; and areas to be engaged, not feared.

It is my hope that China and Canada will together chart new territory — new areas of co-operation and mutual benefit; new areas of sharing and exchange; new areas of growth and development.

Like any new venture, it carries risks. But we must take our inspiration from the Chinese word for "crisis," which is made up of two separate symbols — one signifying threat and the other, opportunity.

I see the expansion of our relationship with China as one of the great opportunities of our time.

Thank you.



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STATEMENT BY THE HONOURABLE LLOYD AXWORTHY, MINISTER OF FOREIGN AFFAIRS, AT THE PEACE IMPLEMENTATION COUNCIL



LONDON, England December 4, 1996





Mr. Chairman, in Paris three weeks ago, we rededicated ourselves to the peace process in Bosnia, and we underscored firmly that this process rests on a contract between the international community and the Bosnian authorities. Here in London, our goal is to agree upon the terms of that contract for the next year.

I would like to focus my comments this morning on a number of areas where Canada believes the principle of commitment and obligation between the international community and the Bosnian leadership must be strengthened in 1997.

The international community is examining the possibility of maintaining a NATO-led international force in Bosnia beyond the mandate of the IFOR (Peace Implementation Force). But in return for helping to keep the peace, we must insist on real progress on the free movement of people, the return of refugees, and on arms control.

We expect that police forces in Bosnia will co-operate fully with the International Police Task Force (IPTF) in reforming and building their organization, so that they can increasingly assume greater control over domestic security. Canada is prepared to contribute in this regard in 1997. However, Bosnian authorities must be willing to extend and intensify their co-operation with the IPTF.

As part of the international community represented on the Peace Implementation Council (PIC), Canada is actively engaging in the rebuilding of Bosnia. But we need to work with a functioning government. The council of Ministers and key agencies, such as a central bank, must be up and running in 1997 if assistance is to be channelled effectively.

Successful reconstruction also requires greater inter-entity and intra-state economic co-operation. Lines may be drawn on the map, but the economic infrastructure of the former Yugoslavia cuts across those lines. This fact remains key to the prosperity of all groups in the region, and Canadian reconstruction assistance in Bosnia will emphasize projects involving all three ethnic groups. To this end, we have been pleased to work with the United Kingdom and Japan in completing a major infrastructure project in the power sector. The project required, and secured, co-operation among the three Bosnian communities. In our future reconstruction program, Canada is ready to collaborate again with our U.K. and Japanese friends, and indeed others, in projects that will encourage the kind of inter-ethnic co-operation so essential to Bosnia's future.

Continued democratic reform is also key to the future of Bosnia. Municipal elections must be held in 1997 that are democratic, free and fair. These municipal elections must be supervised by the Organization for Security and Co-operation in Europe (OSCE), and they must involve close co-operation with the High Representative. Canada is prepared to continue playing an active

role, as we did during the elections earlier this year, but the Bosnian authorities must co-operate to ensure a much better election process than that of last September.

Further development of Bosnia's free media is vital to these municipal elections, and also to tearing down the barriers of hate and prejudice that years of war propaganda on all sides have created. Canada will support the open broadcast network, including the provision of training. However, our assistance can only be effective if the national and entity governments in Bosnia enact the necessary legislation, and make available the resources, to allow free media to develop fully.

I have spoken on previous occasions about de-mining in Bosnia. Economic recovery, freedom of movement, and the return of refugees are all impossible unless the ground is safe to walk on and the fields are ready to work in. Again, this involves a partnership; both the international community and Bosnians themselves must do more. In 1997, donors' efforts on de-mining must be more closely co-ordinated, particularly through the Mine Action Centre in Sarajevo. Canada is prepared to increase its support to this Centre and to mine clearance generally.

Having said that, I am concerned by the national and entity governments' inadequate responses to international de-mining assistance efforts. They must make mine-clearance a priority element of national reconstruction. I also urge the governments of Bosnia, Croatia, and the Federal Republic of Yugoslavia to sign the global ban on the production, export, stockpiling and use of anti-personnel mines, which was launched by the Ottawa Conference.

Mr. Chairman, there will be no lasting peace in Bosnia without human rights and justice. There will be no lasting peace without a serious effort to apprehend indicted war criminals. The Bosnian authorities must co-operate fully with the International War Crimes Tribunal if they expect to receive international assistance. That, Mr. Chairman, is the bottom line.

The international community is fulfilling its obligation in this regard. We established the War Crimes Tribunal, but each day that indicted war criminals remain at large challenges our credibility, offends our sense of justice and weakens our hope for a secure and peaceful future. The influence of indicted war criminals over the political life of Bosnia must be broken.

I spoke in Paris about "contracting the net" around indicted war criminals in specific areas of Bosnia in order to restrict their freedom of movement. Over time, this would marginalize these people. The military should certainly play a more active role.

I also recommend that NATO and the High Representative join with the War Crimes Tribunal to consider additional steps to further restrict the free movement of indicted persons. More patrols, training of forces in the identification and detention of suspected war criminals, and information campaigns to publicize persons being sought, would all increase their isolation, reduce their influence, and make their capture more likely. We could consider other measures: for example, offering rewards for persons providing information leading to the arrest of war criminals.

Bosnian authorities must act decisively to remove all indicted persons from public and high-profile positions in their communities. In cases where this does not happen, neither they, nor the organizations to which they belong, should be allowed to participate in activities involving the High Representative or any other international organization. We should cut off assistance and funding to opstinas, cantons, and other government levels or agencies that have indicted individuals as members. I will reiterate: without firm action on war crimes, reconciliation is doomed. Earlier this week at the OSCE Summit in Lisbon, Bosnian President Izetbegovic said "the prosecution of war criminals, which is the condition for reconciliation in Bosnia, is slow and ineffective." I agree. We need action, not words.

Mr. Chairman, the issues I have raised today all require some form of international assistance. Essentially, this is our part of the contract. In exchange, we expect full co-operation by the Bosnian authorities.

Canada supports the idea of a mid-year review of the 1997 action plan, and we will take it seriously. We will use it to reconsider our assistance to any authorities not complying with the terms of the peace process. By the same token, we will reward co-operation.

Mr. Chairman, effective implementation of this contract requires co-ordination. The High Representative must be in a position to effectively co-ordinate civilian aspects of the peace agreement, and to continue to guide us on matters of compliance.

By the end of 1997, national and entity governments in Bosnia and Herzegovina should be functioning and assuming more responsibility; municipal elections should be completed; economic recovery should be taking hold — right down to the level of the streets and the fields; the Bosnian people, and especially the young, must see their stake in peace. Both towns and countryside should be safer because land mines are being cleared; because the IPTF and the local police forces are co-operating; because war criminals are being brought to justice; and because gradually, refugees and the displaced are returning home.

I am keenly aware of the work that needs to be done to achieve this, and of the tension that still prevails in Bosnia. But we begin this next phase of the peace process by agreeing on the Action Plan, by recognizing the challenges, and by committing ourselves — all of us — to overcoming the difficulties we face. This is our task. If we work on it seriously, and together, we can succeed.

Before concluding, I am compelled to address the situation today in the Federal Republic of Yugoslavia and the risk for violence there in the face of peaceful demonstrations. While the purpose of the Council meeting is to discuss the 1997 Action Plan for Bosnia, it is clear to all of us that peace in Bosnia cannot be maintained without reform in neighbouring Serbia and Croatia. Canada is concerned that the government of Serbia has chosen to ignore accepted international norms for conducting democratic elections, and that opposition candidates have been deprived of their rightful places on local councils. The government's closure of independent radio stations is also an affront to democratic principles. President Milosevic and his government must act according to accepted democratic principles and traditions. Serbia's behaviour in this regard will have an impact on the pace and content of the normalization of its relations with others, including Canada.

Thank you.



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Statement

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NOTES FOR AN ADDRESS BY

THE HONOURABLE LLOYD AXWORTHY

MINISTER OF FOREIGN AFFAIRS

"FOREIGN POLICY IN THE INFORMATION AGE"



OTTAWA, Ontario December 6, 1996

This document is also available on the Department's Internet site: http://www.dfait-maeci.gc.ca



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Every era likes to think itself unique. But I believe that we are now living through one of those profound historical shifts that really do mark a break with what went before. The convergence of a related set of phenomena — globalization, the information revolution, the end of the Cold War, and the democratization of international relations — is bringing about a fundamental change in how the world works. In this new world, borders are increasingly porous, and the global marketplace is crowded with new information sources. Increasingly, individuals, NGOs [non-governmental organizations], business people and ethnic or regional groups are playing as important a role in international relations as nation-states. Information technology is making possible a "global commons."

From these changes has come the concept of "soft power" — the idea that knowledge and information confer international influence; and, in a wired world, that influence is power. This is a power of attraction, not coercion. The strategic use of information, and the ability to influence others by presenting attractive models and ideas, have become central components of a nation's ability to exert political, economic or cultural influence. Of course, economic and military power are still highly significant, but they are no longer the only basis of a country's international clout. The mouse, if not mightier, is at least as mighty as the missile.

I would not want to present myself in any way as an expert on information technologies. But, as Foreign Minister, I can point to the opportunities that the changing international situation present to Canada. As a middle power with limited military might, Canada is ideally suited to exercising power internationally through persuasion and coalition building. In these circumstances, there is a clear and pressing need to reconsider two aspects of our foreign policy:

- how we present ourselves to the outside world in the information age; and
- how we use new information technologies as a tool to achieve our foreign-policy goals.

The strategic use of information has become a key foreign-policy tool; our foreign policy and programmes should reflect this fact.

Canada is well placed to wield "soft power" and to act as a knowledge broker. Why? Because we are one of the most wired nations in the world — we are already living the 21st century — and because we are a high-tech, human resource-rich nation accustomed to functioning in a bilingual, multicultural environment. We have the hardware required, in terms of communications, satellite technology and a head start on the information highway. As part of its domestic information strategy, the Government is encouraging and assisting Canadian companies to build a low-cost, high-quality Canadian information highway that responds to diverse Canadian needs.

And we have the software, too: well-developed human resources, and competitive cultural and information exports in both French and English. Canada is a leading producer of television programs and computer software, and we excel at distance education. In terms of content, there is no lack of material for a focussed, informative and entertaining Canadian presence in the world. Even more important, underlying these is a set of profoundly attractive values: democracy, bilingualism, multiculturalism, tolerance and respect for diversity, the rule of law, a market economy tempered by unifying social programmes, and flexible federalism.

The evidence of Canadian capacity is all around us. Our public, private and para-public sectors are already exchanging information extensively among themselves and with the rest of the world.

 Newsworld International is bringing high-quality satellite television, with a distinctively Canadian content, to an international audience;

• TV-5, a multi-national joint enterprise, broadcasts Frenchlanguage television with a significant Canadian content,

reaching over 60 million households;

• In the NGO sector, the IDRC [International Development Research Organization] has pioneered the development of information technologies and information networks for development; and

• CIDA [Canadian International Development Agency] funds information-technology and distance-learning related

projects around the globe, from Africa to Asia.

So you can see that Canada has plenty to offer. Yet, despite these domestic assets, our record in the strategic use of information internationally is mixed. We are lagging behind some countries that already use modern communications technology as a vital part of the conduct of their international relations. Canada is an internationalist nation by virtue of our history and culture, and by vocation. For over 30 years, we have played a role as a credible, effective middle power, an international mediator and a catalyst for change. But now, Canada's voice risks being drowned out in a crescendo of competing national voices.

What we need is a strategy that puts our domestic capacity to work to address the international and domestic challenges of the information age. A strategy that allows us to reach foreign markets more effectively and influence international audiences. A strategy that puts new information technology to work for Canada as it pursues its internationalist vocation, and as it seeks to advance our interests and values internationally. And a strategy that provides a sharp national focus, and is horizontally integrated, across both government and the private sector.

I would like to stress this last point. Right from the start, our approach has been one of partnership among government, the private sector and NGOs. In July, I chaired a preliminary roundtable that explored the concept of an international information strategy, at which some of you were present. And over 100 Canadians from many sectors have met in Edmonton and Toronto, as part of the National Forum on Foreign Policy, to consider Canada's communications interests and strategies. I am looking forward to joining the final meeting of the National Forum in Winnipeg on December 13, to pursue discussion of their views and ideas. I have also been closely following the parallel process undertaken by a task force chaired by Maurice Strong, which culminated in the publication of their excellent report Connecting to the World.

These processes of consultation and discussion reinforced my belief that we are on the right track in pursuing an international information strategy for Canada, that Canadians want to share their skills and knowledge within the framework of our international communications. The expressions of interest and support we received are what led me to meet with you today, to consider where we go from here.

These processes also highlighted two important points:

- the importance of working in partnership, building on existing activities in government and the private sector, to achieve the greatest possible rationalization and benefits;
- the need for government to take the lead in certain areas, including in articulating the principal themes and messages that we should be communicating to international audiences. At the same time, participants stressed their own desire to see certain basic Canadian values democracy, respect for human rights, and tolerance inform our messages.

Encouraged by this preliminary response, we see a need for the development of what we have termed a Canadian International Information Strategy, or CIIS. This strategy would have two main aims. The first is to establish an integrated and comprehensive approach to projecting abroad information about Canada. This approach would involve both selling the structures (that is, the hardware and software) and spreading the content (that is, Canadian values); in other words, both the medium and the message. The strategy would bring coherence and co-ordination to the efforts of the myriad public and private organizations already engaged in projecting information about Canada to the world.

The second aim of the strategy is to use new information technology as a tool to meet Canadian foreign-policy goals, to put the information revolution to the service of Canada's

internationalist vocation. These technologies have huge potential for tackling human rights abuses or international crime — areas where rapid international exchange of information is essential. They could play a key role in helping to establish free media to counter hate propaganda, to bolster democracy, and to reduce the likelihood of conflict in troubled regions. As the task force chaired by Maurice Strong has noted, information technology could be used to deliver our international assistance more effectively.

We have already taken the first steps towards fulfilling these aims. Within DFAIT [the Department of Foreign Affairs and International Trade], we have developed our own information technology strategy that will help us to use the tools of electronic diplomacy. As a first step toward integrating the many worthwhile projects being carried out independently, we have undertaken an inventory of projects being carried out within the foreign affairs portfolio and in related para-public agencies. The next steps we envisage would involve greater integration and co-ordination across government and, most importantly, between the private and public sectors. Through a partnership with the private sector and NGOs, we can reach foreign audiences more effectively and more economically.

These, then, would be the broad goals of the CIIS. I would like to outline for you briefly how we might go about attaining these goals, and the types of themes and projects that could come under the ambit of the CIIS.

Information, culture and values are, by their nature, crosscutting. A successful strategy requires us to think laterally. Thinking laterally means realizing that whatever we do on the international scene will have significant impact within Canada; not least because how others see us affects our own image of ourselves. Thinking laterally also means integrating aspects of work being done across a range of government departments and areas of activity.

Perhaps the most important area in which we will need lateral thinking is in the public-private sector partnership that must underlie the strategy. The key here is to seek out the natural synergies that exist, while avoiding overlap. I would like to stress here that I am not proposing the strategy to interpose government control where it has no business being, nor as some sort of propaganda tool. The aim is that the different sectors co-operate and co-ordinate activities to increase mutual benefit.

Lateral thinking is crucial, but it also threatens to widen the scope of our endeavour beyond what is manageable. The strategy would, therefore, focus initially on three areas:

- Canada's international broadcasting capabilities;
- the promotion of global electronic networks; and
- the use of information technology to enhance Canada's international education and development objectives.

In the last of these three areas, I have already referred to the valuable work done by the task force headed by Maurice Strong. Their final report argues that access to knowledge is crucial to development. In light of this, they recommend that the provision of know-how and information through knowledge-based networks become a significant focus of our development-assistance efforts.

In terms of content, we have articulated major themes for communication to international audiences. These include:

- Canada as a politically, economically and culturally advanced and sophisticated society;
- Canada as a model nation, its people enjoying the highest quality of life;
- Canada as a vast, diverse nation with a bilingual capacity and regional and multicultural richness:
- Canada as a tolerant and compassionate society; and
- Canada as a country with a long-standing internationalist tradition that other countries trust, respect, and look to for leadership.

Discussions are already under way within government on these proposals. It is likely that our next step would be a co-operative study of what resources we already have, what is needed, and what concrete projects could fill these gaps. So it is still early to set out the specifics of what we would undertake within the Strategy. But, if you will allow me to think out loud a little, I would like to outline some of the sorts of things I have in mind, to give you a sense of the huge potential that is there.

- SchoolNet, Canada's leading on-line educational service, has attracted significant international attention. It is already starting to link up with other countries through commercial agreements. I see potential for here for projects that open doors internationally for the private sector, that give young Canadians skills and connections for the information age, that disseminate Canadian information and information technology abroad, and that provide crucial tools to developing countries.
- Our missions abroad are another important resource that could be put to work. By providing a single electronic

"kiosk," they could simplify access and highlight Canadian capabilities in such areas as information technology itself, and education, tourism and culture.

• Information technology could be used to enrich policy debate and information sharing within Canada. Electronic discussion groups on foreign policy could supplement the National Forum, and an "electronic Katimivik" could serve as an umbrella for Arctic databases under the Arctic Council.

As you can see, there are many exciting possibilities. But I would not want to present the CIIS as some sort of panacea to our attempts to adjust to a new and rapidly changing international situation. The CIIS alone will not ensure Canada's international reputation, or its commercial success. But its potential benefits are great enough that, in my view, we cannot afford not to attempt it.

What are these benefits? A strategic approach to projecting information about Canada internationally will contribute to our prosperity by showcasing Canadian products. It has the potential to increase significantly our exports of cultural goods and services, and of exports of information technology (both software and hardware). Advanced Canadian technologies used in operating the CIIS will testify to our expertise. And our trainers, educators and international assistance experts will reach new outlets and new clients.

By encouraging the use of cutting-edge technology to send our messages, the CIIS may spur further technological research and development within Canada. I have in mind, for example, the convergence of communications technologies such as television and radio with digital systems and networks. It can also be the means to introduce to a wider international market new technology and new contents that the Canadian market could not sustain on its own.

And there is another, less tangible benefit within Canada to the CIIS: a heightened sense of national identity. The strategy will strengthen the technology that binds together the nation, allowing us to reach out to one another as we reach out to the world. It will help us to see ourselves as others see us, and give us pride in our own distinct culture. In the 1800s, the transcontinental railway was the great communications project that first bound Canada together and gave it a reality as a nation. In the 21st century, it is information technology and networks of knowledge that will bind us, more closely and more completely than the railway ever could.

At the same time that it binds us more closely at home, a concerted information strategy will bring us both greater influence and a higher profile in the world, politically and

culturally. As John Ralston Saul has argued, in the global village, your culture determines your international image. Our enhanced reputation and attractiveness will ultimately translate as greater market share for cultural goods and services and information technology, and for investment, tourism and education. In other words, as greater prosperity in Canada and more jobs for Canadians.

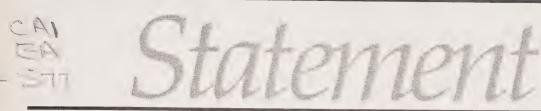
Skilful use of new technology will also increase our ability to pursue more effectively our other basic foreign-policy goals: a more secure, peaceful world, and one that shares our values. It will help us develop effective linkages with developing countries that give them the tools — knowledge and training — to ensure their own development. In other words, the Canadian International Information Strategy will put greater influence — the power of the 21st century — in Canada's hands.

We cannot undertake this work without you. And you will be the beneficiaries just as much as the government is; the information revolution is by its nature profoundly democratic, and its benefits do not accrue to any one sector or group alone. I urge you to join us in developing and implementing the CIIS; in adding your spike to the rails of the transcontinental of the 21st century.

Thank you.







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THE HONOURABLE ART EGGLETON,

MINISTER FOR INTERNATIONAL TRADE,

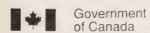
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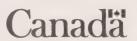
THE OPENING OF CANADA EXPO '96



SANTIAGO, Chile December 4, 1996

This document is also available on the Department's Internet site: http://www.dfait-maeci.gc.ca







Ladies and gentlemen, Señoras y Señores, it's an honour to be here today. I am delighted to have the opportunity to pay a second visit to Chile, especially so soon after President Frei's historic visit to Canada.

Jobs and growth are a priority on Canada's agenda, and international trade is one of the keys to achieving this. I know that this is a priority shared by Chile, and now that our countries are deepening their relationship and building a new trade partnership, I am confident that exporters from both countries will lose no time in capitalizing on this opportunity to expand markets and share expertise.

Canada Expo '96 is the major Team Canada event for South America in 1996. It is fitting that this multi-sectoral showcase of Canadian goods and services takes place in Chile, as the Free Trade Agreement we will be signing tomorrow will give new momentum to relations between our two countries.

The Canada-Chile Free Trade Agreement is a good deal for both of us — it will create jobs in both countries. This agreement demonstrates our commitment to economic growth through expanded trade and is an important first step in further trade liberalization throughout the hemisphere and beyond.

It is the first major economic trade link between North and South America and is another indication of Canada's commitment to this hemisphere. You will find us a reliable partner, and we are here to stay.

There is no better demonstration of this commitment than the impressive Canadian presence here today. Some 180 Canadian companies, seven provinces and other federal departments and agencies are represented as Team Canada.

Even more impressive is the fact that some 330 business people, drawn from 15 of Canada's most active economic sectors, came here to Santiago at their own expense.

To participate in this event these business people realize the potential here. They know that two-way trade between Canada and Chile has doubled since 1991, with shipments totalling \$666 million in 1995. The first six months of 1996 continued this trend, with a further increase of 13 per cent.

Chile is an area rich in natural resources and ready for international investment. The remarkable strides taken in turning the economy around have placed Chile on a solid footing that will sustain democracy, promote prosperity and strengthen sustainable development.

There are countless stories of Canadian firms that have found success in your open and accommodating market. Several have created partnerships with Chilean firms that have proven extremely profitable.

Through the innovative use of financial mechanisms and continued careful management of the economy, Chile has become a model for nations in Latin America. It is this commitment to consolidating your

economic recovery that has given Canada and its business community confidence in Chile, both as a trading partner and as a secure environment for investment.

Part of your economic strategy has been to develop a regulatory climate that attracts foreign investment, technology and expertise. Canadian investors have responded to these initiatives — so much so, in fact, that the total actual and planned investment in Chile exceeds \$7 billion. And we are now the second-largest foreign investor in your country.

The number of people here today for the official opening of Canada Expo '96 is a good indication that this trend will continue, now that we have secured strong access for Canadian companies, coupled with significant protection of their investment, through the Free Trade Agreement.

I should also point out that many of the Canadian firms that are here today are already active investors in this market. You will recognize many of them by the banners on display in this room, as these companies are also sponsors of this trade show.

Less than two years ago, in January 1995, Prime Minister Chrétien led a Team Canada mission to Chile and South America. There were 250 Canadian business leaders on that mission, and deals worth over \$1.7 billion were signed with Chilean partners. Our accomplishments in the relatively short time since the Team Canada visit are impressive.

Here at Canada Expo, the next three days will provide you with an opportunity to learn more about the Free Trade Agreement and new opportunities in many sectors. You will also have a chance to meet with visiting buyers from neighbouring markets.

Just as Canada can be the springboard to a successful North American business plan, Chile is truly a gateway to South America. I encourage the Canadian participants to take time to meet with some of our trade commissioners from other embassies in Latin America: they are here to chart a cohesive strategy for the region and can be of great help in developing your Latin American business plans.

Chile is one of Canada's top 10 priority markets, and an action plan is being developed to help co-ordinate Team Canada efforts. The coming months will also see the organization of seminars, both in Chile and in Canada, to promote the specific benefits of the Free Trade Agreement.

The Canada-Chile partnership is clearly one that we value, both for its present benefits and for its tremendous potential.

Canada Expo '96 is a fitting celebration for the successful conclusion of a free trade agreement and a launching pad for business development in South America.

Thank you.



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Statement

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THE HONOURABLE ART EGGLETON

MINISTER FOR INTERNATIONAL TRADE

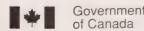
TO THE SINGAPORE MINISTERIAL CONFERENCE

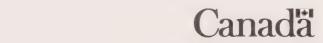
OF THE WORLD TRADE ORGANIZATION



SINGAPORE December 9, 1996

This document is also available on the Department's Internet site: http://www.dfait-maeci.gc.ca







Mr. Chairman, Mr. Director General,

It is with great pleasure that I represent Canada at the first ministerial conference of the World Trade Organization [WTO]. The world community took a bold and optimistic step two years ago in establishing the WTO at the conclusion of the Uruguay Round. While we can be satisfied with our progress to date, this conference is our chance to provide political guidance to the WTO in establishing its priorities for the future.

Our members agreed two years ago that international trade should be governed by a universal set of rules designed for mutual benefit. We agreed that trade should be governed by the rule of law, and not by economic leverage, threats or sanctions. Canada remains committed to the belief that this organization, as it evolves to include more goods, more services, and more countries, will create an environment where stable economic growth, improved standards of living and productive employment are available to all.

Canada also believes that the need for a universal trading system will be enhanced, not diminished, by the formation of regional trade agreements. My government's vision of the future is not one of impenetrable trading fortresses, but one of free trade across all regions. Canada — as a member of the NAFTA [North American Free Trade Agreement], and a strong supporter of the WTO committee on regional trade agreements — is living proof the two can be mutually compatible.

Canada's vision for the two is both bold and realistic: our ultimate goal is a world in which goods, services and investment flow freely across national borders, under a common set of rules established by universal agreement. Only the WTO offers the hope of such a future, and only by establishing ambitious goals for ourselves now, will this body reinforce its primacy among the growing number of regional trade initiatives around the world.

In its brief history, the WTO has already seen proof of its necessity and effectiveness. In our first year, by implementing significant tariff cuts and a range of new agreements, we have contributed to an 8 per cent growth in trade in goods — larger than global growth in production.

The fair and efficient resolution of a significant number of trade disputes has also boosted business confidence in the multilateral system.

But we must be mindful that our mission has less to do with creating world trade than with managing the explosion in trade that is happening regardless of our efforts. Canada has doubled its exports in the past decade, to the point where exports now account for 40 per cent of Canada's economy, the highest among the G-7 countries. I am reminded of Ghandi who said: "there go my people. I must rush to the front to lead them."

The WTO must respond to the demands of world trade, and respond quickly, if it is to maintain its leadership role. That is why we must finally square away the unfinished business of Marrakesh. That is also why we must be unafraid to venture into new and unexplored territory.

Despite our best efforts, we have not been able to agree on the liberalization of some key services sectors. I am expecting this meeting to affirm its commitment to the successful completion of the basic telecommunications negotiations by the deadline of February 15, 1997.

I welcome agreement on the resumption of financial services negotiations early next year, with a view to their successful conclusion in 1997.

Much work remains to be done with regard to transparency. Although trade policies and regulations have become more transparent through the trade policy review mechanism, WTO members still have much room to improve, particularly with notification of national measures and the timely provision of public access to WTO documents.

It is also my expectation that work will continue in the new year in understanding the linkages between trade and the environment. Canada supports the application of WTO rules to eco-labelling, and seeks a more thorough examination of the interplay between multilateral environmental and trade agreements.

Finally, while the Uruguay Round had made it possible for developing countries to gain better access to world markets, more needs to be done to ensure their actual participation. For this reason, Canada proposed a special meeting in 1997 to enhance the co-ordination of the provision of technical assistance.

But, as I have said, we must demonstrate to the world our ability to keep pace with the rapidly changing demands of globalization, which requires us to move the trade agenda forward. We must seize this opportunity to agree on timely new initiatives, in particular the information technology agreement. The WTO cannot be blind to the global revolution in communications technology that is taking place, nor can it deny the advantages flowing to commerce from the reduced costs of doing business on a global scale. I encourage all WTO members to join in these negotiations, which offer benefits to developed and developing nations alike. The WTO will inspire confidence if it can demonstrate that it is flexible enough to meet the needs of international business.

I believe we should continue our efforts to further reduce tariffs, to accelerate the tariff cuts contained in the Marrakesh

schedules, and to broaden the number of zero-for-zero agreements, including on oilseeds and aluminum.

We must begin discussion on issues such as investment and competition policy, which are of central importance to the trading system. Foreign direct investment is now growing faster than trade, and it is a major contributor to growth, development and job creation.

That is why Canada has taken the lead in calling for the start of work to develop a better understanding among WTO members of the relation between trade and investment. We are not proposing the initiation of negotiations. And we want active co-operation between the WTO and other organizations, such as the UNCTAD [United Nations Conference on Trade and Development], to improve our understanding of these issues.

Such measures would signal the political willingness of this organization to adapt to the needs of global trade, while serving the interests of its member states. The benefits of world trade are to all our countries' benefit, whatever our level of development. We can all view with satisfaction the progress that has been made to date, but the full implementation of the Uruguay Round will not mark the end of our work, only the beginning.

Thirty-five years ago, the Canadian philosopher Marshall McLuhan first coined the use of the word "media" to describe all forms of communication, and predicted the electronic age would lead to the creation of the "global village." Today, this village is a reality, and its market square covers the earth.

Economic integration, the result of increased flows of trade and investment, is driven by individuals seeking to improve their circumstances.

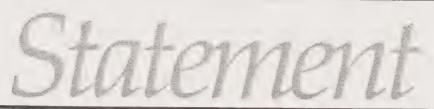
There is a perception that somehow increasing trade flows may be harmful — that it leads to job losses, not job creation. While the ILO [International Labour Organization] is the primary forum for dealing with core labour standards, we, in the WTO, need to respond to these concerns by showing that increased adherence to a rules-based system together with further trade liberalization leads to greater economic growth, which benefits us all.

The WTO is not the GATT [General Agreement on Tariffs and Trade]. We now have a forum in which we can discuss such issues. A 50th anniversary celebration would let us discuss whether this new institution has all the right machinery or whether we need to provide some further political guidance.

The choice before us is clear: we can refuse to adapt, and lose the primacy of this organization and the opportunity it offers for a rational, stable framework for a better standard of living through trade. Or, we can accept that we are living in a global village, and make it easier for our citizens to participate in the global marketplace.

I encourage this conference to take the second approach, so that we can manage world market forces effectively, and harness their good effects for the people of our respective countries.

Thank you.



96/56

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NOTES FOR AN ADDRESS BY

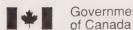
PRÉSIDENT D'HONNEUR THE HONOURABLE LLOYD AXWORTHY,

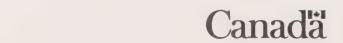
MINISTER OF FOREIGN AFFAIRS,

AT THE OPENING OF THE NORTH ATLANTIC COUNCIL

BRUSSELS, Belgium December 10, 1996

This document is also available on the Department's Internet site: http://www.dfait-maeci.gc.ca







It is my great pleasure to welcome you to this meeting of the North Atlantic Council in Ministerial Session.

We should begin by expressing our appreciation to the Secretary-General for the dedication, vigour and inspiration he has brought to his first year in office.

Our meeting takes place at what is, I believe, a defining moment for this organization. Decisions that we make over this next year will have a significant impact into the future. In recent years, the world has experienced a profound geopolitical shift. The tectonic plates of international relations have realigned themselves and, as always when two plates meet, spectacular forces have been unleashed.

The aftershocks of these movements have not yet died away, but a new landscape has emerged. New countries have taken shape, and people have made their voices heard in the world in a way they could not have before.

Now it is our turn to give a more permanent shape and structure to these changes. We must define how long-term security can be achieved in this new landscape. At this meeting we will take the next steps toward the inclusion in NATO [North Atlantic Treaty Organization] of new members from Central and Eastern Europe. In doing so, we must equally ensure that such decisions enhance the international security system throughout the transatlantic community, building a new sense of co-operation between NATO and non-NATO members alike.

Collectively, we have already overseen some important changes within NATO, and have set other processes of change in motion:

- There has been just over a year of peace in Bosnia, where the most severe conflict in post-World War II Europe raged through nearly five years; that peace was won in part through the sacrifices made by the men and women of IFOR [Peace Implementation Force] especially the 52 who gave their lives, from both NATO and non-NATO countries. At this meeting we will endorse the mandate for the international military component in the next critical phase of the Bosnian peace process. This takes place against the backdrop of the continuing struggle of the people of Serbia to make their voices heard.
- We will mark the fifth anniversary tomorrow of the North Atlantic Co-operation Council and, I hope, begin work on the next phase in building the new Transatlantic Partnership that will promote stronger ties between NATO on the one hand and non-NATO countries on the other.

This has been a prelude to the larger transformation we will now pursue. Five objectives should guide us as we plan that transformation.

First, we need to recognize that the notion of security itself is broadening. We face a whole new range of human security challenges: from human rights to sustainable development, from overcoming ethnic conflict to ridding the world of land mines.

These are the issues that the new SFOR [Stabilization Force] must address as we move from peacekeeping to peacebuilding in Bosnia. The continued freedom of indicted war criminals is one of the greatest threats to a durable peace, and if SFOR departs without having contributed to the apprehension of these people, I believe we will have left the seeds of future conflict in Bosnia to germinate.

We must also make every effort to assist and encourage the Bosnian authorities in totally eliminating the production and use of land mines. Until the ground is safe to walk on and until it is safe for farmers to plant crops, economic reconstruction is severely hampered. It is outrageous that land mines continue to be produced in Bosnia. If we succeed, Bosnia can serve as a model that inspires the whole world to eliminate altogether these vicious weapons that victimize so many innocent people.

Second, we should base enlargement decisions on clear, justifiable criteria. Those who are invited to join NATO must offer:

• stable and durable democratic governments, with established records of respect for human rights and the principles of good governance;

 clear and unequivocal civilian control over the military, together with transparency and accountability in military budgets and management;

• durable settlements to any disputes with neighbouring countries in full effect; and, finally,

well-established economic transformation.

Countries that meet these standards will both gain from and contribute to the Alliance's security.

Third, the Alliance should make the right arrangements now and offer the broadest possible partnership to those countries that will not join us this time. Security in the Atlantic area will not be enhanced by etching new distinctions across the face of Europe.

Ukraine plays a special role in post-Cold War Europe, and NATO should recognize this through a distinctive partnership.

For the Baltic area, the Alliance has a special responsibility. If the three Baltic states do not join the Alliance in the first wave, NATO should pursue a policy of active engagement. We can

also help by encouraging the creation of new relationships between the Baltic states and Russia.

Clearly, the greatest challenge to NATO in terms of non-member states is its relationship with Russia. We must ensure that the Alliance no longer looks like a string of command posts lined up from the Arctic to the Mediterranean, all facing Russia. We cannot guarantee that Russia will accept enlargement. But we have to satisfy ourselves that we have taken every reasonable step to address its concerns. Equally, we have the right to ask the Russians themselves to look at NATO with new eyes.

Fourth, Canada believes that reform and reorientation of NATO structures should go hand-in-hand with enlargement. NATO was conceived as, and remains, a collective defence alliance. But in an era when the very concept of security is being transformed, so too is NATO's mandate, and so too must be its structures.

A reformed command structure should make enlargement more affordable, give the Alliance the flexibility it needs to address new challenges in new ways, including through all-European operations, and send a clear signal that NATO is no longer totally geared to a massive threat from the east, but faces a diversity of challenges requiring a diversity of responses.

What matters for Canada is not the nationality of commanders or their staffs — we continue to believe in an integrated structure — but whether NATO can be effective in facing new challenges and in reinforcing both Europe's role in the Alliance and North America's engagement in it.

Fifth, as we turn to the future, NATO must maintain the transparency and equality between members that has been its greatest strength. It is in none of our interests to weaken Alliance solidarity with closed-door decision making and special-status membership.

History will judge our Alliance not only by how we fought the Cold War, but also by the new order we built in its aftermath. The effort required of us is great, but the rewards can be greater still.

Thank you.





Statement

96/57

CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY

THE HONOURABLE LLOYD AXWORTHY,

MINISTER OF FOREIGN AFFAIRS,

TO A MEETING OF THE

NATIONAL FORUM ON FOREIGN POLICY

"CANADIAN FOREIGN POLICY IN A CHANGING WORLD"

WINNIPEG, Manitoba December 13, 1996

This document is also available on the Department's Internet site: http://www.dfait-maeci.gc.ca



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A Changing World

You may have seen reports out of Serbia recently about how, when the government closed down the last independent radio station, Serbians turned to the Internet. By setting up their own web site, the people of Serbia were able to exchange information on the massive demonstrations protesting the overturning by the Serbian government of legitimate local election results. They were able to network and organize. The government could turn off a single radio transmitter — but it could not reach the thousands of computers linking individual citizens to the world.

What has been happening in Serbia, and elsewhere in the former Yugoslavia, is a sign of broader changes. In recent years, the world has experienced a profound geopolitical shift. The tectonic plates of international relations have realigned themselves and, as always when two plates meet, huge forces have been unleashed. A new landscape is becoming visible, but the aftershocks of these movements are still going on, in the former Yugoslavia and elsewhere. New countries are taking shape, and peoples are making their voices heard in the world in a way they could not before.

Trends Driving Change

The Internet, and more generally a revolution in information technology, are acting as levellers. By harnessing this new technology, people have as much of a hand as governments in driving events. What we are seeing is the democratization of international relations and of foreign policy.

The events in Serbia have been front-page news in Canada. Reports of the demonstrations fill Canadian television and computer screens. This permeability of borders and heightened interdependence characterize the new era. They challenge us to rethink Canada's place in the world, and how we respond to outside events.

During the Cold War, when Canada acted to preserve peace and security internationally, it was within clear limits and constraints. We sent peacekeepers; we negotiated disarmament treaties. And we generally stayed away from what were seen as the internal affairs of other countries. Now security has become something much broader. An annulled election in Serbia, or ethnic hatred in Bosnia, Rwanda or Zaire, can act as the trigger for conflict that destabilizes whole regions. It is increasingly clear that preserving "human security" — human rights and fundamental freedoms, the rule of law, good governance, sustainable development and social equity — is as important to global peace as arms control and disarmament. It is in response to the need to preserve human security that the notion of peacebuilding has emerged.

I picked Serbia as an example because I think it brings home to us the trends behind the tectonic shift in international relations that we have witnessed:

• democratization and the multiplication of international

actors;

 the rapid change, and the blurring of borders and dividing lines, brought about by globalization and the information technology revolution;

the emergence of new types of conflict that threaten human

security; and

• the need for new tools and measures to deal with these changes.

Canada's Role

For Canada, the key issue is to decide where we fit in this changing world: where we can make a difference and where we need to play for ourselves, to promote Canada's interests. These are the sorts of questions that you and other Canadians have been discussing in the context of the National Forum. They are the questions we all face as we head into the next millennium.

In his book Millennium, Philippe Fernandez Armesto makes some interesting comparisons between the rapidly approaching turn of the millennium and events around the previous end of millennium, in 1000 AD. In this context, he highlights "...the ability of some groups to decisively influence the rest of mankind by generating and communicating ideas, creating or adapting technology, and undertaking exploration..." In my view, Canada has the potential to be one of these influential actors, who steer the course of events in the 21st century and beyond.

I don't say this from a misplaced sense of national pride, but because of the qualities and capacities Canada has, which suit us well to the new international landscape. We have abundant human resources and political skills. We have learned the art of accommodation in building our own flexible federalism. And we continue to enjoy strong public support for a role for Canada as a constructive, activist international player. The city of Winnipeg is a case in point. Here we are, in the middle of the continent. Yet as the centre of the grain trade and home of the Wheat Board, Winnipeg has always looked outward. Winnipegers have always been conscious of the importance of cultivating links to the outside world.

Choosing Canadian Priorities

At the same time, we must accept that we cannot do everything, that we have more than ever to choose where and how we make a difference in the world.

Both peacebuilding and international communications, the issues you have been discussing, stand out as diplomatic niches that Canada is well placed to occupy. We have extensive expertise in both areas. We are in the forefront of international work on new responses to conflict, including the rapid-reaction study we tabled at the United Nations. And, above all, we are well placed to wield the "soft power" needed to be effective in these new areas of diplomacy. By "soft power," I mean the international influence that knowledge, information and an attractive set of values confer. In a wired world, this influence is power — the power to get things done by building coalitions, like the multinational force for Zaire, rather than by coercion.

With the Help of Canadians

The National Forum, and other conduits for consultation, have a double role: in maintaining Canadian support for our internationalist vocation and in setting priorities, that is, in examining which niches Canada can and should seek out. Our foreign policy must be rooted in public acceptance and support. It must take its direction from what Canadians think is possible and desirable. The Forum provides an effective, direct conduit for Canadians to give their views and participate in developing foreign policy options.

If there is one conclusion that I have drawn from our consultations to date, including the meetings of the Forum, it is that Canadians remain committed to an active, internationalist foreign policy. The issues and the setting may have changed, but Canadian support for an activist, middle-power approach is as strong as it was 40 years ago, when we launched the first peacekeeping force.

Where Canada Made a Difference in 1996

With this public support, we have pursued key Canadian goals over the past year. In areas that matter to Canadians, we have exercised leadership, and we have made a difference internationally.

The leadership exercised by the Prime Minister galvanized the international community into forming the multinational force for Zaire. This in turn provided the political impetus needed to unblock a stalemate that threatened the lives of hundreds of thousands of refugees. As a result, the need for immediate humanitarian assistance has receded somewhat. But we are continuing our efforts to deal with longer-term needs, to break the cycle of violence that has racked the Great Lakes region of Africa.

The Government has also taken a leadership role when it comes to protecting Canadian interests internationally. In response to

the Helms-Burton Act, Canada led international efforts to resist this exercise of unacceptable extraterritorial jurisdiction. The European Union, Japan, Mexico, Caribbean and Central American countries, and the Rio Group have all joined us in criticizing this legislation. Here at home, we have proposed amendments to legislation to help Canadian companies defend themselves in the face of Helms-Burton and similar unacceptable laws.

As part of our commitment to put children's rights at the top of the domestic and foreign policy agenda, the Government appointed Senator Landon Pearson as a special advisor in 1996. Under Senator Pearson's lead, we have held broad-based consultations on children's rights. We have started working internationally on measures against child labour and the commercial sexual exploitation of children. And, under Bill C-27, we have proposed amendments to the Criminal Code that allow for the prosecution of Canadians who engage in so-called "sex tourism."

Canada was at the forefront of the movement to ban anti-personnel mines. These weapons keep on fighting battles that ended months, years and even decades ago. They kill or injure roughly 500 people per week, 90 per cent of them civilians, many of them children. At a conference in Ottawa this October, I invited the governments represented to give their support to the signature at the end of 1997 of a treaty banning all anti-personnel mines.

In Bosnia, Canada provided support to free media and democratic elections, in order to rebuild civil society and consolidate the peace. At the same time, we continue to contribute to the international peacekeeping force. In fact, Winnipeg's own Princess Patricia's Regiment will be leaving soon for Bosnia, to take over as the Canadian contingent within the stabilization force agreed on by NATO this week.

Canada has led efforts to pursue war criminals from the former Yugoslavia and from Rwanda, in the belief that there can be no lasting peace without justice. A Canadian, Mme Justice Louise Arbour, was appointed Chief Prosecutor of the international war crimes tribunals in The Hague earlier this year. This week, at the meeting of NATO ministers, I was able to build a consensus around Canada's view that NATO needs to develop new measures to deal with war criminals in Bosnia.

We have also been active in broadening our influence within our own hemisphere in the past year. We have been trading and signing treaties, preventing conflict and building peace, selling Canadian information technology and providing Canadian expertise, with our partners in the Americas. During their May 1996 meeting with Prime Minister Chrétien and myself, the presidents of the Central American countries asked that Canada share with them its experience in information technology in areas such as distance learning.

In Haiti, Canada took command of the United Nations mission in 1996. This is more than a traditional peacekeeping mission. We have been using development assistance funds to build peace by developing Haitians' capacity to govern themselves. We have been training police, the coast guard, judges and grassroots organizations — all key players in a peaceful, healthy society.

We have worked to address some of the underlying concerns that we share with others about the situation in Cuba. To support a peaceful evolution in Cuba to a society with full respect for human rights, genuinely representative institutions and an open economy, we have moved into new areas of co-operation with Cuba. We have sponsored seminars on such issues as comparative law. We are discussing with Cuba how Canadian expertise could contribute to an improved justice system or parliamentary committee structure. Our disagreements with Cuba on human rights and good governance are not going to disappear overnight, and we continue to express them regularly, including at the UN. But we continue to work with Cuba, on the basis of a belief that dialogue and engagement, in a spirit of mutual respect, offer the promise of peaceful change in a way that confrontation and isolation do not.

To round off a year of activism, I will be joining a gathering of international dignitaries in Guatemala on December 29, to witness the signature of the Guatemalan Peace Accord. When I met the Guatemalan Foreign Minister recently in Ottawa, we discussed ways Canada could assist the implementation of the accord. Our objective is to help Guatemala make a peaceful transition to an open society, one in which human rights are respected and development is more equitable.

Looking Ahead: Shaping a New Tool Kit

As you can see, we have accomplished a great deal in the past year. But I recognize that there remains a pressing need to refurbish and broaden our foreign policy tool kit as we face the challenges of the coming millennium. In recent speeches, I have announced the launch of initiatives in two areas that are crucial to the renewal of our foreign policy: peacebuilding and an international information strategy.

In October, at York University, I announced a new Canadian Peacebuilding Initiative, including a special peacebuilding fund, financed by CIDA [Canadian International Development Agency]. At that time, I outlined my own belief that peacebuilding is a crucial tool in dealing with the new forms of conflict that have come to characterize the international landscape at the end of the century. The initiative will respond to the need, identified in your discussions, to co-ordinate existing peacebuilding efforts and to establish networks, improve preparedness and set priorities.

More recently, I have outlined my views on the need for a Canadian International Information Strategy — a strategy that uses knowledge, information and information technology in innovative ways within Canadian foreign policy. The strategy is still in its early stages, but specific projects are already in the works. To cite just one example, in 1997 Winnipeg will be the site of a national conference of Canadian and Asian young people, "Asia Connects/Cherchons l'Asie." Up to 12 other sites in Canada will be linked electronically to the Winnipeg conference, creating "virtual communities" of young people across the country. It is this kind of innovative use of information technology to link Canada to the world, and to advance our foreign policy objectives, that an international information strategy will promote.

In both these areas, the need for new ideas and for informed debate to keep us on the cutting edge is clear. The National Forum has already launched the debate and will, I hope, continue to drive it forward. The Forum is the venue in which to start putting flesh on the bones of these two initiatives, by proposing specific tools for implementing them. The democratization of international relations — their opening up to actors other than the traditional nation states — will, I believe, come to be seen as one of the characteristics of the new era that we are entering. The existence and the work of the National Forum on Foreign Policy is a harbinger of that trend. I look forward to working with you all to develop a Canadian foreign policy fitted for the 21st century.

Thank you.



96/58

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NOTES FOR AN ADDRESS BY THE HONOURABLE ART EGGLETON MINISTER FOR INTERNATIONAL TRADE TO THE

CANADA-SINGAPORE BUSINESS ASSOCIATION



SINGAPORE December 12, 1996

This document is also available on the Department's Internet site: http://www.dfait-maeci.gc.ca







I'm delighted to be with you today in Singapore. It's a real pleasure to meet with the Canada-Singapore Business Association, which is doing such a great job to promote trade and investment between our two countries. You have developed an impressive track record over the past 12 years and I am confident that you will continue to play an important role in expanding Singapore-Canada relations.

So thank you for the work you are doing - it is appreciated.

Over the past week or so, I have been in Shanghai, Tokyo, Santiago (Chile) and this week, of course, here in Singapore for the WTO [World Trade Organization] meeting. Then I'm off to China again. And as I travel, I am becoming sensitized to the challenges facing those of you who work in a country other than your own and who seek to promote wider commercial relations. For example, one problem is profile and convincing your hosts to pay more attention to your home country.

Today, I hope to raise Canada's profile here in Singapore, because I really believe that there is remarkable potential just waiting to be tapped.

And what better time and what better place than right here, this week, when the world is watching Singapore and the meeting of the WTO, to discuss that potential and make the case for greater partnerships between our two countries?

Because the truth is that we have much to offer one another. We are alike in many ways. We share similar views on trade and investment. We are both keenly aware of the importance of freer trade and of a rules-based system to guide it.

We both place a high value on educating and training our people so that they can compete in the world of tomorrow. Many of Singapore's business leaders were educated in Canada, and many young Canadian entrepreneurs are gaining valuable work experience here in Singapore.

Both of us recognize the importance of small and medium-sized businesses and the innovation and dynamism they bring to our respective economies.

And both Singapore and Canada are outward-looking nations, comfortable on the international playing field and keen to win their share of international markets.

So if we have so much in common, why aren't we doing more in common? Why don't we see more partnerships between Singapore and Canada? Why aren't we embracing each other as natural allies in a common cause?

I think part of the problem is that we don't have a clear understanding of, or a sufficient appreciation for, each other's strengths.

Canadians look at Singapore as a market of just 2.9 million people and say: "Why bother? Why not explore the larger markets of Malaysia, or Thailand or Indonesia?"

But of course, this is missing the point. Singapore is much more than just a market of 2.9 million people — it is an entry point into a much larger market of 2.9 billion, including ASEAN [the Association of Southeast Asian Nations], China and India. It is a trading and manufacturing centre. It is a financial hub and a linchpin of the regional economy.

Singapore has the second-largest port and container port in the world. It has the world's second-largest off-shore banking centre and the third-largest oil refinery.

Singapore also boasts a thriving manufacturing sector, producing about half of the world's disk drives. It is also a leading producer of telecommunications equipment, electronic components, computer peripherals as well as software, pharmaceuticals and medical equipment.

And Singapore is a major investor in Asian markets — the fifth-largest investor in China and Indonesia alone.

So to Canadian business people I would say — take another look at Singapore! Look carefully at joint ventures with business partners that are astute, successful, and well connected. Join with Singapore businesses in the pursuit of opportunities in third markets such as China and don't miss out on the explosive growth taking place in this region.

But of course, there is another side to the equation, and that is making the case to Singaporeans to look to Canada as a place to do business.

Now, I know that there are some who would ask, "why bother with Canada when the United States is just as close?" To those people, I have one simple message: look at the opportunities in Canada! Look at the resources we have to offer. Look at the access we can provide and at the doors we can open. Look at the technology we can provide.

Right here in Singapore, you are surrounded by Canadian technology and you probably don't even realize it! Did you know that the machine-readable passport system at Changi is made by AIT Advanced Technology — a Canadian company?

Or that the PCN cellular phone system is a product of Northern Telecom? Or that film and video production at the Discovery Centre is by Lunny Communications Group?

Canadian companies are responsible for the flight simulators that train Singapore's pilots and for the winch mechanisms that operate the gantries at the Port of Singapore.

And I could cite a dozen more examples. The point is simply that Canadian technology has already proven itself in Singapore and goodwill has grown up around our products.

But Canada can also provide something else to Singapore, and that is access. With one shore touching the Atlantic and the other shore touching the Pacific, we stand as a bridge to both Europe and Asia.

We are also a gateway to the North American Free Trade Agreement [NAFTA]. Our companies know the U.S. market better than anyone else. In fact, Canada and the United States have the largest cross-border trade in the world — over \$1 billion every day.

And we have long experience in trading with Latin America — not just with our NAFTA partner, Mexico, but with all of Latin America. Just recently, we signed a free trade agreement with Chile.

As a Pacific nation, we are certainly no strangers to Asia. Japan is our second-largest trading partner, while China and Hong Kong together are our third.

We have been active partners in China's growth. I have just come from Shanghai and Suzoh, a city that is twinned with Vancouver. While there, I witnessed the signing of 11 new agreements between Chinese and Canadian companies, valued at nearly \$100 million — and we have also just signed a deal with China to build two nuclear reactors.

And after I leave Singapore, I am going to Beijing, on more business.

Canada can also provide many of the sophisticated products Singapore is looking to buy. We sell world-class aircraft, telecommunications equipment, engineering services, environmental expertise, computer systems and software.

And Canada is blessed with abundant natural resources — minerals, agriculture, energy, forestry and a quarter of the world's fresh water.

But, like Singapore, our greatest resource is our people. Like Singapore, ours is a highly educated, multi-racial and

multilingual society. And we have strong ties, enduring ties, to all of the world's major markets.

Canada also has the highest per capita ownership of personal computers in the world. Not surprisingly, we are fast becoming one of the leaders in high technology. In the Ottawa area alone, there are now over a thousand software companies.

In short, Canada has a great deal to offer Singapore. Our task is to get that message out. We have to make Canada the first place Singaporeans think of when they're looking for partners or new places to invest.

We have to demonstrate the practical ways that Canadians and Singaporeans can work together for mutual advantage. For example:

- how Canadian software firms can help give Singapore a leading edge advantage in electronic commerce and the information highway;
- How Canadian engineering expertise can provide stability and security for Singaporean investments in infrastructure; and
- How Canadian technology can provide investment opportunities in third markets, particularly China.

And we have to demonstrate the enormous potential for job creation — in both countries — that effective partnerships between us can produce.

While geography has not made Singapore and Canada neighbours, history has made us friends. Now, commerce must make us partners.

We must build on the relationship that you and others have created, and we must work hard not only to develop "top of mind" recognition, but also to maintain it.

So how do we intend to reinforce our relationship with Singapore? Let me just touch on a number of areas where we intend to act.

- First, we aim to create at least 20 alliances between Canadian and Singaporean firms within the next year.
- Second, we are committed, by December 1997, to identifying at least 10 projects in third markets.
- Third, we will work to enhance Canada-Singapore business ties, with particular emphasis on informatics and telecommunications, transportation, agri-food, construction and the environment.

- Fourth, we will actively pursue opportunities for joint missions to China, Vietnam and India.
- Fifth, we will continue to develop student exchanges so that budding entrepreneurs in each country can gain experience in the other's culture and market.
- Sixth, and finally, we will pursue Singaporean representation in Ottawa so that Canada appears and remains on Singapore's "radar" and so that the flow of information between our two countries improves.

In the new year, we look forward to the attendance of Prime Minister Goh at the Asia Pacific Economic Co-operaton Leaders' Meeting in Canada. And we encourage him to bring a strong business delegation with him so that Singapore business leaders will see first-hand the opportunities and advantages Canada has to offer.

Because, important as state visits are, and essential as governmental support may be, in the final analysis, the success of our venture will not be determined by governments but by the energy of business people like yourselves, the relationships you establish and the products and services you provide.

Thank you.





96/59

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NOTES FOR AN ADDRESS BY

THE HONOURABLE LLOYD AXWORTHY

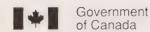
MINISTER OF FOREIGN AFFAIRS

AT THE FRIENDS OF LEBANON MEETING



WASHINGTON, D.C. December 16, 1996

This document is also available on the Department's Internet site: http://www.dfait-maeci.gc.ca





I would like to thank Secretary of State Warren Christopher and the Government of the United States for their leadership in hosting the first meeting of the Friends of Lebanon.

We are honoured to be involved in this important undertaking. Peace and security for Lebanon is important to Canada. And there are 250 000 Canadians who are proud of their Lebanese heritage and tradition.

Canada strongly supports:

- the sovereignty of Lebanon;
- the implementation of UN Security Council resolution 425;
- respect for the provisions of the Taïf Agreement; and
- extension of the authority of the Lebanese government to all its territory.

We are encouraged by the recent parliamentary elections in Lebanon, a sign of the attachment of the people of Lebanon to their democratic heritage. The return of political stability to Lebanon is a welcome development. So, too is the work of the international Monitoring Group to contain the conflict in the south.

I would stress, however, that the full economic potential of Lebanon will not be realized in the absence of a comprehensive peace in the Middle East. Canada is committed to the Middle East Peace Process, particularly through our role in the Refugee Working Group. Our goal is to help Lebanon and other parties in the region to find just and mutually acceptable solutions to the refugee issue, within the context of a comprehensive peace.

Two decades ago, Lebanon was a leading economy in the Middle East. Its private sector was renowned for its entrepreneurial spirit and professionalism. The Lebanese government, has embarked on a comprehensive plan to restore Lebanon to its prewar prominence. We have full confidence in Prime Minister Hariri's ability to stay the course of economic recovery.

The private sector must be the motor of a revitalized Lebanese economy. Our goal as governments is, in my view, to create a climate that encourages our business community to seek new opportunities in Lebanon.

Increasingly, Canadian business people are interested in developing partnerships with Lebanese counterparts. Since 1990, our exports to Lebanon have grown by over 500 per cent.

We are encouraging Canadian business to increase activity in the Lebanese market. In January 1995, we re-opened our embassy in Beirut. This September, we began negotiations with Lebanon for a bilateral foreign investment protection agreement.

We have set up a liaison and advisory group of business leaders to counsel our government. This group is chaired by a fellow parliamentarian, Mac Harb, who has joined me here today.

Lebanon's commitment to its reconstruction is clear; we have only to look at the substantial documentation that they have prepared for this conference. I am sure that many of the projects they have proposed will be of interest to our private sector. Canadian companies have abundant international expertise and experience in infrastructure, especially in water transportation and supply, waste-water management and environmental protection.

Last month, Canada's Export Development Corporation confirmed that it is fully open for business in Lebanon. As our export credit agency, it will consider financing, on a transaction-by-transaction basis, for any commercially viable project, including infrastructure projects. We have set aside up to \$100 million for these export credits.

In addition to this financing, we have also increased by \$2 million our direct development funds for Lebanon. This new grant will focus on small initiatives to encourage Canadian and Lebanese partners to work together in key areas of economic and social reconstruction.

This meeting represents a unique opportunity to advance the process of reconstruction. Let us work together to make the most of it, in the hope of building a better future for Lebanon.

Thank you.



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CHECK AGAINST DELIVERY

NOTES FOR AN ADDRESS BY THE HONOURABLE RAYMOND CHAN SECRETARY OF STATE (ASIA-PACIFIC) AT A LUNCHEON FOR BRUNEIAN AND CANADIAN BUSINESS PEOPLE



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BANDAR SERI BEGAWAN, Brunei December 2, 1996

This document is also available on the Department's Internet site: http://www.dfait-maeci.gc.ca



Government Gouvernement du Canada





Ladies and gentlemen:

This is a momentous day for me and for Canada in Brunei.

Just one year ago, Canada established a resident High Commission in Bandar Seri Begawan, and Brunei opened its High Commission in Ottawa. This afternoon, I will officially inaugurate the chancery of the Canadian High Commission in Britannia House.

Canada is a good friend of Brunei. We have for many years had friendly and productive contacts within the Commonwealth family, and in more recent years as part of the ASEAN [Association of Southeast Asian Nations] Dialogue and the ASEAN Regional Forum. In addition, we are now like-minded partners in the Asia Pacific Economic Cooperation, or APEC.

But more than this, Canada has decided that we must play a more active and direct part in developing our bilateral relations with Brunei. I think that, in many areas of economic activity, Canada and Brunei are good fit. In the coming years I anticipate an intensification of contacts and activities between Bruneians and Canadians in all walks.

Asia Pacific Economic Cooperation

I have just come from the APEC Leaders' Meeting in Manila where the 18 economies of the Asia Pacific region re-dedicated themselves to the goal of liberalizing trade and enhancing economic and technical co-operation mutually for the sake of sustainable growth and equitable development.

I welcome today, members of Brunei's APEC Business Advisory Council, and others who were also present in Manila to attend the APEC Business Forum.

Following the Manila meeting, it is Canada's turn to undertake the full responsibilities of chairing APEC in the coming year. Brunei has graciously offered to host APEC in the year 2000, for which I congratulate you. During Canada's host year, the past, current and future chairs — that is, the Philippines, Canada and Malaysia — will work closely together in preparing many events. I hope this will set a trend that Brunei will follow.

Over the course of the coming year, Canada will play host to a number of APEC ministerial meetings in various cities in Canada, in addition to the wind-up Leaders' Meeting in Vancouver. This series of meetings will provide the economic leaders of the Asia Pacific — both in government and in the business sector — many occasions to learn more about Canada first-hand, and help build, enrich and consolidate the links that Canada seeks with the Asia Pacific community.

Canada's Year of Asia Pacific

Indeed, we are so committed to this goal, that the government of Prime Minister Jean Chrétien has designated the year 1997 as Canada's Year of Asia Pacific [CYAP].

We intend to promote greater awareness among Canadians of the importance of our country's role in APEC, and the relevance of our relations with the Asia Pacific region. We hope to focus activities not just on the APEC economies but on all of Asia. We will highlight events not only surrounding APEC and business, but also in academic circles, cultural activities, youth contacts and, of course, the broadcasting and publishing media.

In 1997, I want everyone in Brunei to think of Canada as the one overseas destination they must visit, for business and for pleasure. I extend an open invitation to everyone in Brunei to come to Canada to tell the Brunei story, and forge lasting links with our people.

Brunei's Economic Diversification - Service Hub Concept

This morning, the Canadian business delegation and myself were treated to a most enlightening — indeed remarkable — briefing at the Ministry of Industry and Primary Resources. We have been informed of the plans of the Brunei government to diversify the economy beyond outright dependence on oil and gas revenues.

I was particulary impressed by the rather sophisticated understanding of the opportunities provided by Brunei's status as a relatively small country in a specific geographic setting — namely the East ASEAN Growth Area [EAGA], and the vision by which Brunei will draw strength and inspiration from these conditions.

We were told of plans to create a Service Hub for Trade and Tourism [SHUTT] within this area. This will be a service and communications centre that will assist the process of growth and prosperity in the whole region.

There are lessons in Brunei's planning and analysis that we in Canada can learn as we also struggle with the ever-present challenge of ensuring growth in all the regions of the large and diverse country that is Canada.

Two of the strongest imperatives that Brunei has identified for this economic diversification are themes that Canada heartily supports:

a) the need for a co-operative, open and rules-based international trading system within which Brunei's development can take place; and

b) the need to devote full resources to training and educating the young people of the country to take their places in this new world.

Canadian Business Potential in Brunei

In practical business terms, please allow me to make a few observations to you about the potential for Canadians in Brunei's development.

As part of this SHUTT concept, the Minister of Communications has spoken of the need for the development of new airports and aviation services, of the requirements for a light rail transit system, of the plans for port expansion, and of the demand for modern and worldwide telecommunications.

I have reminded him of Canada's very special expertise in all these sectors, — an expertise acquired because Canadians throughout our history have faced the special challenges of linking a country with the huge extent of territory that Canada has.

With me today, I have a two companies (Bombardier and SNC-Lavalin) who are building an urban-transit system in Kuala Lumpur and have experience with such mass transit systems in many of the great cities of the world.

With me today is a company (Ashley-Robinson & Brodie) whose technology in information control systems is among the best in the world.

Canadian telecommunications companies are successfully competing head to head in the United States with the U.S. giants, and head to head in Asia to provide telecommunications systems to cities and rural areas.

Canadians also have extensive experience in aviation and avionics. Indeed Avalton was a sort of pioneer industry in Canada, and is now represented by such companies as CAE Electronics, who supply simulators for many of the world's airlines and air forces. Bombardier's aviation division produces a range of executive and regional jets, and is now the world's fourth-largest aircraft manufacturer.

In construction, Canada's wood frame housing and prefabricated housing has played a major role in the reconstruction of Japan's city of Kobe after the devastating earthquake of two years ago.

I have just come from Shanghai where the Prime Minister of Canada signed an agreement to build two nuclear power reactors for China. Brunei, with its carbon fuel supplies, may not need nuclear energy, but don't forget that Canada has been a world

leader in the development of hydro-electric energy as well. And in doing so we have also developed the latest technology in electrical transmission lines and systems.

I am also pleased to congratulate another Canadian company (Canora-Asia Inc.) who last week formed a partnership with Cathay Scientific Instruments in Brunei and Inland Technologies of Nova Scotia, and signed a deal to build and manage an oily waste treatment facility for Brunei Shell. What is particularly encouraging about this partnership is that the new venture is set to provide similar waste treatment services and technologies to other customers in the EAGA region. Can we not say, therefore, that Canada is an early entrant into the new wave of Brunei's diversification?

Conclusion

Canada and Brunei are destined for an intensive partnership in many fields of activity. For this partnership to blossom, all it takes is some more effort in getting to know each other better.

We are beginning this effort today with the publication of our very first "Guide for doing Business with Brunei," which is drafted to orient prospective Canadian business visitors with some basic information on this country. This guide will be available in the Department of Foreign Affairs and International Trade to all business people in Canada interested in scouting opportunities in Brunei.

For my part, I pledge that we will make every effort to direct Canadian visitors and business persons to Brunei to look at possibilities for trade and investment.

I hereby invite you all to visit Canada during 1997, Canada's Year of Asia Pacific, but I am certain that the coming century will be the century of the Asia Pacific. Brunei in the year 2000 will kick off. Canada is proud to be part of the Asia Pacific community.

Thank you.





